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100th Congress, 1st Session

H. Rept. No. 100-433 S. Rept. No. 100-216

Report of the Congressional Committees Investigating the

Iran-Contra Affair

Appendix B: Volume 19

Depositions

Lee H. Hamilton, *Chairman,*
House Select Committee
Daniel K. Inouye, *Chairman,*
Senate Select Committee

U.S. House of Representatives
Select Committee to Investigate
Covert Arms Transactions with Iran

U.S. Senate Select Committee
On Secret Military Assistance to Iran
And the Nicaraguan Opposition

November 13, 1987.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed.
November 17, 1987.—Ordered to be printed.

Washington : 1988

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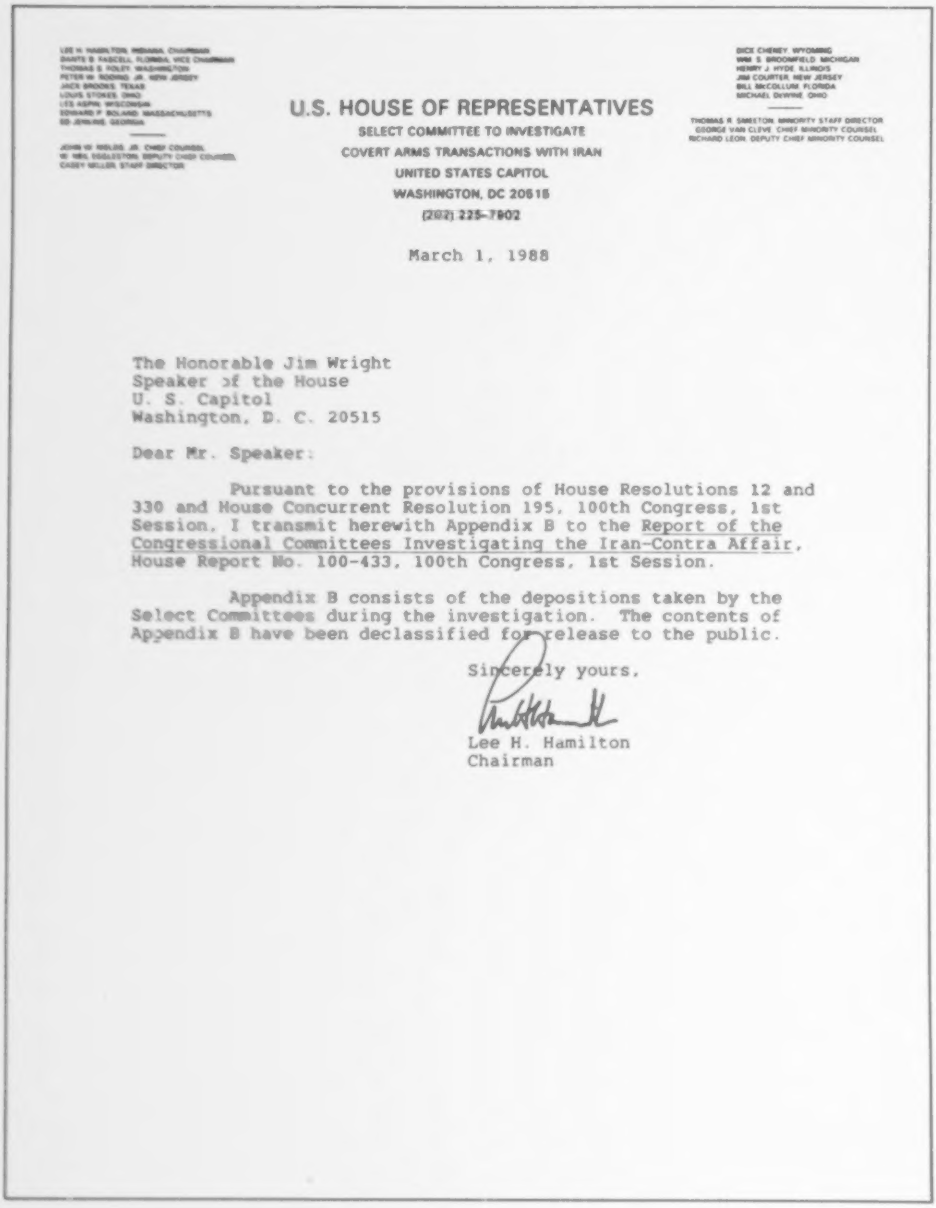

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March 1, 1988

The Honorable Jim Wright
Speaker of the House
U. S. Capitol
Washington, D. C. 20515

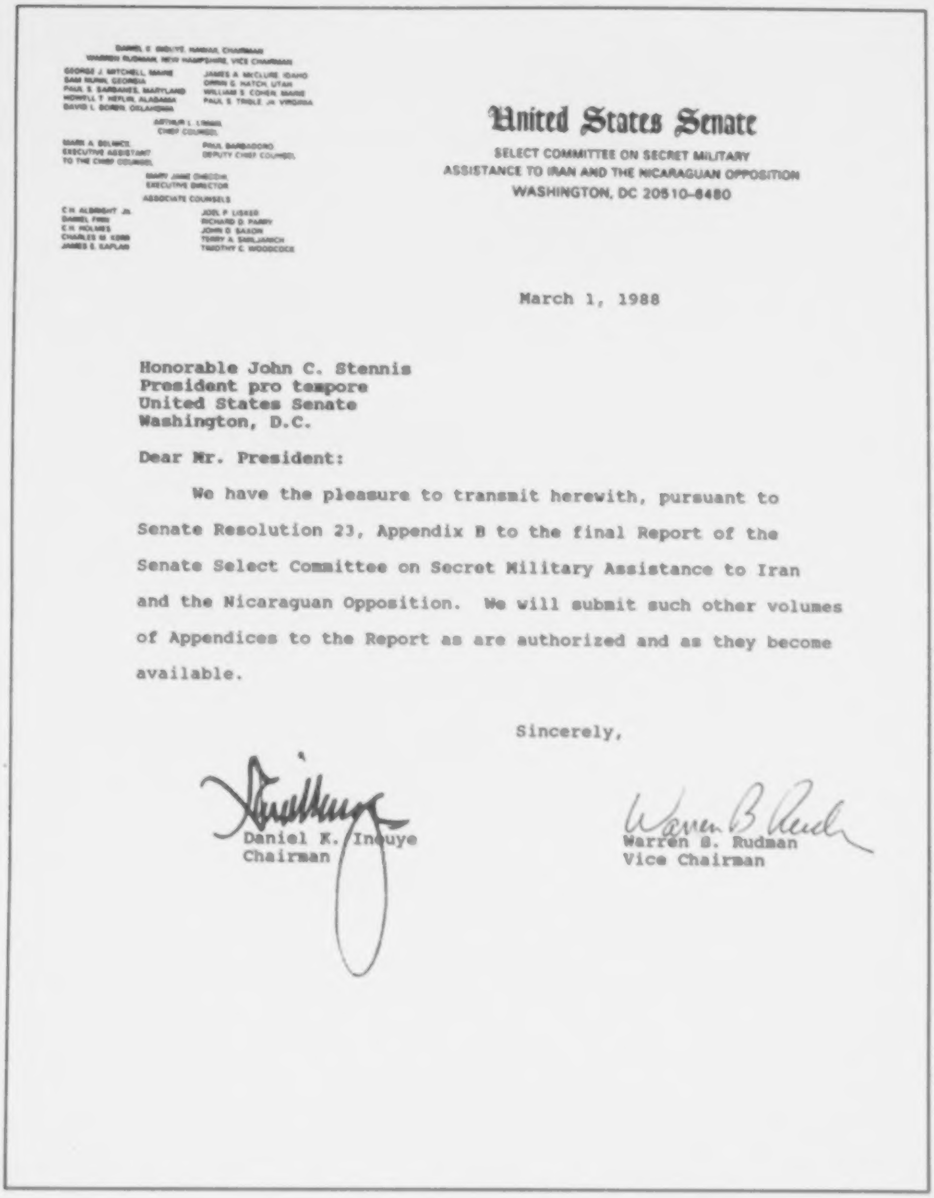
Dear Mr. Speaker:

Pursuant to the provisions of House Resolutions 12 and 330 and House Concurrent Resolution 195, 100th Congress, 1st Session, I transmit herewith Appendix B to the Report of the Congressional Committees Investigating the Iran-Contra Affair, House Report No. 100-433, 100th Congress, 1st Session.

Appendix B consists of the depositions taken by the Select Committees during the investigation. The contents of Appendix B have been declassified for release to the public.

Sincerely yours,

Lee H. Hamilton
Chairman



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United States Senate
SELECT COMMITTEE ON SECRET MILITARY
ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION
WASHINGTON, DC 20510-6480

March 1, 1988

Honorable John C. Stennis
President pro tempore
United States Senate
Washington, D.C.

Dear Mr. President:

We have the pleasure to transmit herewith, pursuant to Senate Resolution 23, Appendix B to the final Report of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. We will submit such other volumes of Appendices to the Report as are authorized and as they become available.

Sincerely,

Daniel K. Inouye
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Warren B. Rudman
Vice Chairman

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Preface

The House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, under authority contained in the resolutions establishing them (H. Res. 12 and S. Res. 23, respectively), deposed approximately 290 individuals over the course of their 10-month joint investigation.

The use of depositions enabled the Select Committees to take sworn responses to specific interrogatories, and thereby to obtain information under oath for the written record and develop lines of inquiry for the public hearings.

Select Committees Members and staff counsel, including House minority counsel, determined who would be deposed, then sought subpoenas from the Chairmen of the Select Committees, when appropriate, to compel the individuals to appear in nonpublic sessions for questioning under oath. Many deponents received separate subpoenas ordering them to produce certain written documents.

Members and staff traveled throughout the United States and abroad to meet with deponents. All depositions were stenographically reported or tape-recorded and later transcribed and duly authenticated. Deponents had the right to review their statements after transcription and to suggest factual and technical corrections to the Select Committees.

At the depositions, deponents could assert their fifth amendment privilege to avoid self-incrimination by refusing to answer specific questions. They were also entitled to legal representation. Most Federal Government deponents were represented by lawyers from their agency; the majority of private individuals retained their own counsel.

The Select Committees, after obtaining the requisite court orders, granted limited or "use" immunity to about 20 deponents. Such immunity means that, while a deposed individual could no longer invoke the fifth amendment to avoid answering a question, his or her compelled responses—or leads or collateral evidence based on those responses—could not be used in any subsequent criminal prosecution of that individual, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the court order.

An executive branch Declassification Committee, located in the White House, assisted the Committee by reviewing each page of deposition transcript and some exhibits and identifying classified matter relating to national security. Some depositions were not reviewed or could not be declassified for security reasons.

In addition, members of the House Select Committee staff corrected obvious typographical errors by hand and deleted personal and proprietary information not considered germane to the investigation.

In these *Depositions* volumes, some of the deposition transcripts are followed by exhibits. The exhibits—documentary evidence—were developed by Select Committees' staff in the course of the Select Committees' investigation or were provided by the deponent in response to a subpoena. In some cases, where the number of exhibits was very large, the House Select Committee staff chose for inclusion in the *Depositions* volumes selected documents. All of the original exhibits are stored with the rest of the Select Committees' documents with the National Archives and Records Administration and are available for public inspection subject to the respective rules of the House and Senate.

The 27 volumes of the *Depositions* appendix, totalling more than 30,000 pages, consist of photocopies of declassified, hand-corrected typewritten transcripts and declassified exhibits. Deponents appear in alphabetical order.

Publications of the House and Senate Select Committees

Report of the Congressional Committees Investigating the Iran-Contra Affair, 1 volume, 1987.

Appendix A: *Source Documents,* 2 volumes, 1988.
Appendix B: *Depositions,* 27 volumes, 1988.
Appendix C: *Chronology of Events,* 1 volume, 1988.

All publications of the Select Committees are available from the U.S. Government Printing Office.

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SELECT COMMITTEE TO INVESTIGATE COVERT
ARMS TRANSACTIONS WITH IRAN
U.S. HOUSE OF REPRESENTATIVES
and
SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION
UNITED STATES SENATE

Washington, D.C.
Tuesday, June 23, 1987

The deposition of RICHARD R. MILLER, called for examination in the above-entitled matter, pursuant to notice, in the offices of the Senate Select Committee, Room 901, Hart Senate Office Building, Washington, D.C., convened at 2:42 p.m., before Pamela Briggle, a notary public in and for the District of Columbia, when were present on behalf of the parties:

UNCLASSIFIED

APPEARANCES:

On Behalf of the Select Committee on Secret Military Assistance to Iran and Nicaraguan Opposition of the United States Senate:

JAMES E. KAPLAN
Associate Counsel
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W. THOMAS McGOUGH, JR.
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On Behalf of the Witness:

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-and-
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Nussbaum, Owen & Webster
One Thomas Circle
Washington, D.C. 20006

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WITNESS	EXAMINATION
RICHARD R. MILLER	
By Mr. Kaplan	4
By Ms. Naughton	
By Mr. Kaplan	
By Mr. Buck	

EXHIBITS

NUMBER	FOR IDENTIFICATION
Miller 1	
Miller 2	
Miller 3	

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PROCEEDINGS

Whereupon,

RICHARD R. MILLER

was called for examination by counsel for the committee, and having been first duly sworn by the notary public, was examined and testified as follows:

EXAMINATION

BY MR. KAPLAN:

Q Could you please state your full name for the record?

A Richard Roderick Miller.

Q Are you testifying here today, Mr. Miller, pursuant to grants of immunity by the Senate and the House select committees that compel your testimony?

A I am.

MR. KAPLAN: And I'm going to mark as Exhibit 1 to this deposition a copy of an order issued by the United States District Court for the District of Columbia ordering Mr. Miller to testify at proceedings by the Senate select committee, and also providing that no testimony or other information compelled under this order may be used against Mr. Miller. And that's a paraphrase of the order.

Counsel for the House select committee appearing here today has assured Mr. Miller's counsel that the House will be forwarding a copy of the immunity and compulsion

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order that the House select committee has received in connection with Mr. Miller's testimony here today.

I ask the reporter to mark that as Miller Deposition Exhibit No. 1

[Miller Exhibit No. 1 was marked for identification.]

BY MR. KAPLAN:

Q Mr. Miller, did you meet with Colonel North on November 20th, 1986?

A Yes.

Q And at whose request was that meeting set up?

A Mine.

Q And why did you request a meeting with Colonel North?

A We had been in discussion for some time about the need to develop a public affairs and congressional effort on behalf of the Nicaraguan resistance, the unified Nicaraguan opposition.

Q Were you also concerned that a contra supply network that you participated in, which we'll get into later during your testimony, was unraveling to some extent, or might unravel?

A I wouldn't characterize it that way. There were events taking place in the United States that I thought made it possible that both he and I would be drawn into a legal

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situation.

Q And are the events to which you're referring, the disclosure of the arms sales to Iran with questions directed at you about provision of assistance to the resistance in Nicaragua?

A Again, I wouldn't characterize it that way. It was more a case of a closer scrutiny of Colonel North's activities and the dredging up by the media of previous newspaper accounts of his assistance through private individuals to the resistance movement.

Q Where did that meeting take place?

A In his office in the Old Executive Office Building and also in the corridor.

Q Was there anyone in his office when you arrived at the OEOB?

A As I recall, I waited for some time, which was customary in those meetings -- probably 30 minutes or so. And he finally came out of his door and shut it behind him in such a way that I was not able to see who was in the office. And it was clear he was doing it so that I wouldn't know who was in the office.

Q And did you ask him who was in the office?

A I did not.

Q And did he tell you who was in the office?

A No.

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Q And then I take it you proceeded to have a conversation with Colonel North in the corridor outside his office?

A He said, let me walk you to the elevator. And we talked briefly about the establishment of the UNO public affairs and congressional effort. And I then raised the question of potential future legal ramifications for myself and my firm, and then ultimately for him.

Q Did you express to him that you were concerned about revelations that had appeared in the press relating to closer scrutiny of his activities?

A Yes, but my primary departure point in the conversation was about the lawsuit that had taken place in Miami brought by the ~~Christicans~~ CHRISTIC INSTITUTE (RRM) against several people who had by that point been named as people supporting the Nicaraguan movement. And my concern was that as the scrutiny of his activities broadened, eventually several other people would probably be drawn into it. It had not been dismissed by a federal judge, and therefore, anybody involved should be ready to defend themselves in federal court.

RK ✓

Q And you considered yourself somewhat involved?

A I did.

Q And what was the substance of the discussion you had with Colonel North about potential need for you for a legal defense?

A Well, I told him that [illegible] defend the people involved

UNCLASSIFIED

through my activities, I expected it would cost a considerable amount of money, and he asked how much. And I said, I would expect it to be at least a quarter of a million dollars, and that doesn't even take you into account. And his response to that was, don't worry about me.

No, he then asked how much was in the account, and I said about $200,000. But I said, that doesn't even take care of you. And he said, don't worry about me, you keep it for legal costs.

Q And when Colonel North asked you how much was in the account, was it your understanding that the account he was referring to were maintained by Cayman Islands' corporations under your control?

A Yes.

Q And were those accounts maintained in Cayman Islands' financial institutions?

A The one he would have been specifically referring to would have been the Intel Co-Operation account at Barclay's Bank, although he at that time did not know it was Barclay's Bank.

Q But he did know that it was the Intel Co-Operation account?

A Yes.

Q Was there anything more to that evening?

A That was about the end of it. I think I left. It

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wasn't very long.

Q You went down the elevator?

A Yes.

Q Did anyone else either participate, or to your knowledge overhear your conversation in the corridor?

A Not that I'm aware of.

Q Did Colonel North stay on the floor on which his office was when you went down the elevator?

A I really don't recall.

Q But he didn't go out with you?

A No.

Q Did you then meet with Colonel North on the next day, November 21, 1986?

A I did.

Q And who initiated that meeting?

A Colonel North called me, which was unusual, for a meeting and said that--his question to me, as I recall now was, did we finish what you needed to talk about yesterday. And I said, no. And he said, then why don't you come over. And I think it took several attempts to get there, and that again wasn't unusual. Things on his schedule changed rapidly.

Q When you say several attempts to get there, you're referring to changed times in the agreed upon meeting?

A Correct.

Q Do you recall what time of day Colonel North called

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you to set up this meeting?

A I don't. I recall that when I got there it was dark and it was rainy. So I would put it some time in the late evening.

Q The meeting took place in the late evening. And what I was asking is whether you had any recollection as to the time of day of Colonel North's initial phone call to you to set up the meeting?

A As I sit here, not specifically, no.

Q What about generally? Was it morning, afternoon, before lunch, after lunch?

A I don't have a specific recollection of when.

Q How many phone calls would you say intervened between the initial phone call and the meeting taking place?

A It seems to me it got postponed twice. There were two instances involving some change in time. It may have been changed and then changed back. I'm not sure. But I remember twice there was some change in the schedule.

Q And the meeting then occurred some time in the late afternoon or early evening?

A Well, it was late. I was able to park on G Street. It was dark and it was raining. So I would it probably some time after 5:00.

Q And where did the meeting actually take place?

A I went to his office. Again, I waited briefly.

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And he came out and we exchanged greetings. I don't recall what we specifically said, but he was in effect already packing up. He was packing his briefcase and putting on his coat. And he said, why don't you give me a ride and I told him I would do that.

So we talked on the way to the car. But I suspect only as far as the door, because it was pouring down rain, as I recall. And we probably then didn't restart our conversation until we got in the car.

Q Did he say where he wanted you to give him a ride to?

A He said he wanted a ride--I don't remember specifically, but it was a general area, like Dupont Circle or something like that. I recall where I dropped him off.

Q Did you then proceed to drive him towards Dupont Circle?

A I did.

Q And can you tell us about the substance of the conversation that you had with Colonel North?

A I was trying to tell him that I felt that the effort--I had previously told him I thought the effort would be a minimum of $2.5 million, and potentially as high as $5 million if it was done correctly.

Q Now what effort are you referring to?

A Public relations and public affairs and congres-

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sional activities on behalf of UNO. And that I felt that it had to be paid for with money that came from outside the United States. That it should not be money raised by American citizens, it should come from foreign donors.

And that was the substance of what I was telling him this time, that for someone to raise that money would make them a foreign agent. I didn't think that was a comfortable position for people, and I thought it unlikely they could raise that amount of money for that kind of effort, and couldn't somebody be contacting the likes of the Sultan of Brunei or [redacted] or people of that caliber of financial capacity.

Q What was his response to that query of yours?

A As I recall, the exchange that happened just as he exited my car--it was a very short ride. There was almost no one on the road. He said that--I said to him, can't somebody, can't Shultz or somebody contact [redacted] and ask them to put up this money? And his response was, I gave one to Shultz already and he fucked it up.

Q And did you understand what he was referring to by that comment?

A No.

Q Did you ask him what he was referring to?

A No.

Q At some other point in the car ride, did North

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indicate to you that the Attorney General had suggested that he get legal advice.?

A As I recall sometime in that period, either the day before that day he had told me that the Attorney General--but I don't recall--that the Attorney General had suggested that he get legal counsel.

Q And did he say why the Attorney General suggested he get legal counsel?

A No.

Q Did he mention to you when the Attorney General suggested to him that he get legal counsel?

A No.

Q Did you have an impression as to when the Attorney General might have suggested to him that he obtain legal counsel?

A No, not really.

Q Did he describe to you anything more about the substance of his conversation with the Attorney General?

A No.

Q Did you ask him why the Attorney General suggested that he get legal counsel?

A No. It wasn't that long a conversation.

Q Do you recall when Colonel North related to you that the Attorney General suggested that he obtain legal counsel?

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A Again, it's the same answer as before. I'm not--it's one of those two days.

Q And by those two days you're referring to Thursday, November 20th, 1986 or Friday the 21st?

A Thursday or Friday, right.

Q And so it would have been either in the corridor, I take it, on Thursday, November 20th, or in the car on Friday, November 21st?

A I would think so, yes.

Q You recall that he related the Attorney General's suggestion to you in a face-to-face conversation as opposed to over the phone?

A Yes.

Q Did Colonel North say anything else to you about Secretary of State Shultz as he was departing the car on Friday, November 21?

A Yes, his last words right after he made the statement about the Secretary not succeeding was, he said, if Shultz knew that the Ayatollah was bankrolling this whole thing he'd had a heart attack, or a coronary--I've forgotten which. With that, he got up and left my car.

Q Did you understand what reference he was making at the time?

A No.

Q And I take it you didn't have an opportunity to ask

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him?

A No, I got to think about it all weekend.

Q And did you ask him at any time subsequently to what he was referring?

A Didn't have to.

Q Where was it that you dropped Colonel North off?

A It was an office building on the north--I'm sorry, the southeast side of Dupont Circle. And I think the address is 1800 Massachusetts.

Q Let the record reflect there are four buildings on the corner of 18th and Massachusetts. One of them is the S~~a~~ulgrave Club; one of them is the National Trust for Historic Preservation; one of them is, again another older building, the Yeater Clinic; and one of them is a new office building, eight stories high, that is 1800 Massachusetts Avenue, sometimes known as the National Rural Electrical Cooperative Association building.

And I take it that your recollection is that you dropped him off at the new office building, which is 1800 Massachusetts Avenue?

A Correct.

MR. KAPLAN: I have no further questions on those two areas. To accommodate Ms. Naughton who's here on behalf of the House select committee, we've covered those two areas first, a little out of order, and I am going to have

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questions going to some background issues and then one other area that we'd like to put on the record today.

So I will break my questioning here and turn it over to Ms. Naughton as to whether she has any further questions on the events occurring on November 20th and November 21st.

MS. NAUGHTON: Thank you very much.

EXAMINATION

BY MS. NAUGHTON:

Q Mr. Miller, you mentioned this November 20th meeting with Oliver North sort of in the corridor of the OEOB. Do you recall what time of day this was?

A I'm not sure, but I think it was the afternoon.

Q When you mentioned the legal problems that may be involved with the lawsuit and so forth and he said don't worry about me. Did he tell you why you shouldn't worry about him?

A No.

Q Was that his last comment that you can recall?

A Yes.

Q Did he ever indicate to you that he foresaw that he had legal problems?

A No, he didn't indicate it but I think it was clear to both of us at that point that he probably did have some legal problems.

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Q Did you ever discuss with him what those were specifically?

A Well, in specific terms the only thing we discussed was the lawsuit in Miami.

Q Did Mr. North ever tell you that he had consulted with any attorney?

A He told me--I've heard him use that phrase once, I think, that he had consulted with an attorney, prior to that Friday evening. But I can't tell you where specifically or when specifically.

Q But the consultation was sometime within that time? In other words, we're not talking about two years before then?

A I would say it was within six months of that period at least.

Q Now when you saw him on November 21st outside of his office or as he was leaving his office, can you recall what your conversation was in the hallway?

A We had already begun talking about the need to have a public affairs and congressional liaison operation, and the need for it to be staffed and the level of cost associated with it. It was my primary reason for seeing him on Thursday, and this was a subsequent discussion about the same thing.

Q When he mentioned that--Oliver North had said that the Attorney General suggested he get legal counsel, do you recall how that subject came up?

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A It was an offhand comment by him, and I don't think it fit in real well with whatever the conversation was, because I don't recall a conversation about the subject. It seems to me it was an offhand comment he made.

Q Can you visualize where you were when he made that comment?

A I can't specifically for you.

Q Did it arise in the context of your activities involved in supporting the freedom fighters in Nicaragua?

A Again, I don't have a specific memory trigger on the conversation. I don't--I remember it as an offhanded comment. I don't remember it as part of a continuing conversation.

Q Had he discussed the Attorney General with you before?

A No.

Q This was his first reference to the Attorney General?

A That I remember, yes.

MS. NAUGHTON: Thank you. I have no further questions.

EXAMINATION

BY MR. KAPLAN:

Q One further question on this topic. Did North tell you why he was going to 1800 Massachusetts Avenue?

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A No.

Q And you didn't ask him?

A No.

Q Now we'll switch gears, and I'm going to go into some background information. Are you currently employed, Mr. Miller?

A I am.

Q And where are you employed?

A I'm a senior partner at International Business Communications.

Q And for how long have you been employed there?

A Four years almost.

Q Did you work for a period of time in 1979, 1980 as a director of broadcast services in the Reagan for President campaign?

A I did.

Q And after the 1980 election, did you work for the Reagan transition team?

A I did.

Q And sometime shortly thereafter, did you take a position as special assistant to the director of public affairs at the Department of Transportation?

A Yes.

Q And for how long were you employed in that position?

A Two months.

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Q From thereafter, which I take it was around February 1981 until February of 1983, did you serve as chief of news and public affairs for the Agency for International Development?

A Chief of news and media relations for one year, and then the director of public affairs for another.

Q So I kind of got the two combined. Then did you start International Business Communications as a sole proprietorship in early 1984?

A Yes.

Q And did IBC become a partnership comprised of Miller Communications and Gomez International in 1986?

A Correct.

Q And did you incorporate Miller Communications in early 1986?

A Yes.

Q And was Gomez International, to your knowledge, also incorporated in early 1986?

A Yes.

Q And again, to your knowledge, is Frank Gomez the principal in Gomez International?

A Yes.

Q Was a purpose of incorporating Miller Communications and Gomez International to restructure an ongoing business relationship you had with Frank Gomez and to form the

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partnership of International Business Communications?

A That was one of the reasons, yes.

Q Has IBC--and I'm referring to International Business Communications by that shorthand--since its inception generally engaged in media relations, strategic planning for public affairs, political analysis, and executive branch liaison? Is that a fair characterization of IBC's business?

A That is a fair characterization of most of IBC's business.

Q Would you like to add to that?

A We've done some consulting on international trade and development as well.

Q And in or about the spring of 1985, did IBC take on as a client American Conservative Trust, which was a political action committee that had been established by Carl R. Channell?

A Yes. Did you say May?

Q Spring of 1985. Is that accurate?

A Yes.

Q And at some time shortly thereafter, did National Endowment for the Preservation of Liberty, another Channell organization, also become a client of IBC's?

A They were virtually one and the same for our purposes.

Q So they became clients at about the same time in

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the spring of 1985?

A Yes, in the spring of 1985.

[Witness and counsel conferring.]

A I think for your record, it would be important to point out that we worked for several of the Channell organizations and it was Mr. Channell's responsibility to decide how the work product was applied to his organization. So NEPL, National Endowment for the Preservation of Liberty, came along later than ACT, the American Conservative Trust.

Then there were subsequent organizations, who we also provided work product to.

Q Let's just establish for the record that when we refer to IBC, we're referring to International Business Communications and when we refer to NEPL or N-E-P-L, we're referring to the National Endowment for the Preservation of Liberty.

A Yes.

Q Was Daniel Conrad an executive director of NEPL at the time that NEPL became a client of yours?

A Yes.

Q At or about the same period of time, was IBC performing a variety of public relation functions for the Nicaraguan Development Council?

A Yes.

Q How long had IBC been engaged in those public

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relations activities?

A A little less than a year.

Q At or about that same period of time, and I am talking about the spring of 1985, were you also dealing with Lieutenant Colonel North on matters relating to the Nicaraguan situation?

A We were dealing with Colonel North on matters relating to the Nicaraguan situation and other Central American issues.

Q In or around early April 1985 did you, Frank Gomez, Carl Channell and Dan Conrad meet over dinner in Washington, D.C. with John Ramsey of Wichita Falls, Texas?

A Yes.

Q Was the purpose of that dinner to solicit Mr. Ramsey to provide monetary support to Adolfo Calero and the Nicaraguan Development Council?

A Yes.

Q At the dinner, were certain military needs of the resistance discussed, including small arms, ammunition, and red eye missiles?

A I wouldn't use your characterization of needs. The types of weapons they were using, how they were supplying themselves, what use they were making of them, all those things were discussed.

Q To the best of your knowledge, did Mr. Ramsey

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subsequently make a contribution to the Nicaraguan Development Council?

A Yes.

Q Do you recall how much that contribution was?

A It seems to me -- my memory is not clear on this, but I think it was $20,000.

Q Was it your understanding that that contribution was made, at least in part, as a result of the dinner that we just discussed, in early April, 1985?

A Yes.

Q In early June, 1985 or maybe it was late May, did you receive a call from Colonel North regarding a sum of money needed by the Nicaraguan resistance?

A I believe it was the very beginning of June.

Q Did North indicate to you that the resistance needed $50,000?

A As I recall, he was looking immediately for $30,000.

Q Did he say something like $30,000 would be neat or something to that effect?

A I'm aware of what you're referring to, but that's a subsequent conversation. But $30,000 was the figure he was searching for.

Q Did he give you the number of an account into which any money solicited for the need should be deposited?

A Yes.

Q Did North indicate to you for what specific purpose the money was needed?

A Just that it was general assistance to resistance offices.

Q Did you ask for the specific purpose, beyond that?

A I don't recall asking for it.

Q You referring to a subsequent telephone conversation a moment ago. When did that conversation take place?

A At a later point, he asked me to transfer money under my control to an account which was the same account. In that instance, he gave me those instructions that you just talked about.

MR. KAPLAN: I'm going to ask the reporter to mark, as Deposition Exhibit Number 2, a copy of handwritten notes that have been provided to us by your counsel in response to a subpoena issued by our committee.

[Miller Exhibit Number 2
was marked for identification.]

BY MR. KAPLAN:

Q I'd ask you to take a look at those notes. Were those notes prepared by you?

A Yes.

Q Is that your handwriting?

A Yes.

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Q Were those notes prepared during or as a result of a phone conversation that you had with Colonel North?

A I can't recall whether this specific note was a result of the phone conversation or a meeting, but I wrote it down from information he gave me.

Q Would this have referred to -- would these notes have been taken in the context of either a phone conversation or meetings sometime in early June, 1985?

A Yes.

Q Did you call --

A I'm sorry, I have to strike that. If this is from the period I believe it is, it's probably July. But it's the same information that I made use of in June.

Q In early June. So the notes might have been prepared as a result of a meeting or from a conversation in early July, but the information contained in the notes is pretty much, if not precisely the same information that Colonel North relayed to you in early June?

A Correct.

Q Let's stay with early June. Pursuant to Colonel North's request in early June, did you then call John Ramsey to ask him to contribute toward the need expressed by Colonel North?

A I believe I called Mr. Channell first and he gave me Mr. Ramsey's phone number and had me call Mr. Ramsey directly.

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Q And you did then call Mr. Ramsey?

A Yes.

Q Did you give to Mr. Ramsey the account information given to you by Colonel North?

A I did.

Q Did you later learn that Mr. Ramsey had deposited $10,000 directly into the same account, about which you had given him information?

A Yes.

Q That was the information about the account that you had received from Colonel North?

A Correct.

Q Did you prepare and send a mailgram over North's name thanking Ramsey for his contribution?

A I did.

Q Did North authorize the mailgram to be sent?

A Yes.

MR. KAPLAN: Can I ask the reporter to mark as Exhibit 3 a copy of a mailgram again which has been provided by your counsel pursuant to subpoena by the Senate Select Committee.

[Miller Exhibit Number 3
was marked for identification.]

BY MR. KAPLAN:

Q Is this the mailgram to which I just referred and

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to which you just referred in your testimony?

A Yes.

Q Just for the record, the mailgram reads "Thank you for the help on such short notice" over the name of Colonel North and the mailgram is sent to Mr. John Ramsey in Wichita Falls, Texas. Is that correct?

A Correct.

Q Do you recall whether you gave, to Colonel North, a copy of this mailgram?

A I believe I did.

Q On or about July 9, 1985, did you participate at a meeting at the Hay-Adams Hotel with Mr. Channell, Mr. Conrad and Colonel North?

A Yes.

Q Was the purpose of that meeting that Mr. Channell wanted to ensure that money that had been contributed by NEPL contributors for the benefit of the Nicaraguan resistance was, in fact, being used for that purpose?

A He wanted to be sure that it was being sent to the correct place.

Q At that meeting, did Mr. Channell ask Colonel North where contributions for the resistance should be directed in the future?

A Yes.

Q What did Colonel North respond?

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A His response was to send them to IBC.

Q Had you formed, by that time, a Cayman Islands corporation known as I.C., Inc.?

A I had.

Q Was I.C., Inc. formed for reasons unrelated to NEPL or IBC's efforts on behalf of the Nicaraguan resistance?

A Yes.

Q Was Colonel North aware of the existence of I.C., Inc. before the July 9 dinner or meeting to which we just referred?

A Yes.

Q Was the name of I.C., Inc. changed in early May, 1986, to Intel Co-Operation, Inc.?

A Yes.

Q Pursuant to Colonel North's suggestion at the July 9 meeting or dinner, did NEPL begin to make payments for the Nicaraguan resistance to IBC?

A Yes.

Q Did NEPL continue to make such payments at various times though the fall of 1986 to IBC and to Intel Co-Operation?

A Yes.

Q Did you make various disbursements over time of those NEPL payments to IBC, I.C., Inc., and Intel Co-Operation?

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A Yes.

Q And by those NEPL payments, we're both referring to payments made by NEPL to IBC or Intel Co-Operation to support or provide assistance to the Nicaraguan resistance, is that correct?

A Yes.

Q In almost all cases, were those disbursements made pursuant to a direction you received from Colonel North?

A Yes.

Q Were those disbursements made to recipients or bank accounts identified by Colonel North?

A Yes.

Q At the time that those disbursements were made, is it fair to say that you did not ask and generally were not told the purpose of the particular disbursements?

A Could you repeat your question?

Q Yes, I'm sorry. At the time that the disbursements were made, that is the disbursements that were directed by and to recipients or bank accounts identified by Colonel North, is it fair to say that you did not ask and Colonel North never told you what the purpose was of those disbursements?

A It's not a fair characterization. It varied from time to time. It is true that in most of the large disbursements, I did not know the identify of the recipients.

Q I take it you knew the identity, but you didn't know anything beyond the simple fact of the identity?

MR. DUDLEY: Could we go off the record for a second?

[Discussion off the record.]

BY MR. KAPLAN:

Q Mr. Miller, just to clarify the record, it might be helpful if you did tell us what you knew about the recipients of money from IBC or Intel Co-Operation that was directed by Colonel North?

A It varied by recipient. The largest portion of the monies received by Lake Resources, we had raised for specific activities, such as resupply operations. But how it was specifically spent (RRM), I can't tell you.

In the case of the some of the other large recipients, such as Alpha Services, and Mr. Calero's organizations, my impression -- the information that I got from Colonel North about the money transferred was very small, next to nothing, just account information.

In the case of the UNO and ~~FDC~~ FDN (RRM)/UNO organizations, I had a very good handle on the money that was being -- the need for the money because it was money I was approached for, and then there was a variety of other recipients who were directed by -- I was directed by Colonel North to send money to, the use of which I had no idea, and they included people

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like the Latin American Strategic Studies Institute, the Terrorism and Subnational Conflict Institute.

I generally knew who these people were, but I didn't have any idea of how they were spending the money.

Q Were approximately $1.7 million of IBC and I.C., Inc. disbursements directed by Colonel North to a Swiss bank account held by Lake Resources?

A Yes.

Q At some point in the late fall or early winter of 1985, did Mr. Channell ask you to have North prepare and provide a list of big ticket items needed by the Contras?

A He asked me to get from Colonel North some description of big ticket items that he could approach contributors with.

Q And was there a bottom line dollar aim that these big ticket items should add up to?

A Initially, as I recall, it was about $1.2 million.

Q Did you understand that the list was to be used by Channell to solicit contributions for that resistance?

A Yes.

Q Did you relay the request to Colonel North?

A Yes.

Q Did Colonel North then orally provide such a list to you?

A He provided orally information on several items

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that I then incorporated into a list.

Q Did you enter that list onto your computer at the time?

A I did.

Q Do you recall that the list provided by Colonel North orally included heavy lifting of cargo by aircraft?

A Yes.

Q Did the list from Colonel North also include the training and outfitting of an urban tactics unit?

A Yes.

Q Did the list also include the resupply of the resistance unit known as the Larry McDonald Brigade?

A I believe so.

Q Do you believe that the list provided orally by Colonel North also included missiles of some kind?

A I believe that's true, but I don't have a copy of the list anymore, so I can't point to it specifically, but I did discuss specifically with Colonel North shoulder launched surface to air missiles.

Q Did you print a copy of that list from your computer?

A Yes.

Q Did you provide that list to Channell?

A Yes.

Q Did you then delete the list from your computer?

A Yes.

Q I take it you don't have a copy of that list today?

A I didn't retain a copy then.

Q Sometime in early November, 1985, did you participate in a solicitation of funds from Mrs. Barbara Newington?

A I participated in a solicitation of Barbara Newington, yes.

Q In preparation for the solicitation, did you prepare a file folder which contained a picture of a Soviet HIND helicopter on one side and a picture of a shoulder held surface to air missile on the other side?

A Yes.

Q Did you meet with Mrs. Newington, Mr. Channell and Colonel North in a suite at the Hay-Adams Hotel?

A Yes.

Q Do you recall the date of that meeting?

A I've been subsequently told that it was the --

Q November 7?

A 7, but I'm not quite certain about it, to be honest.

Q You recall it was in the early November time period?

A No, I don't specifically recall the date, but I recall the meeting.

Q At the meeting, did Colonel North describe to Mrs. Newington the threat posed to the Nicaraguan resistance by

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HIND helicopters?

A Yes.

Q Did North refer to the file folder that had been prepared by you?

A Briefly.

Q Did North describe the capability of the shoulder held surface to air missile that was in the file folder to counteract the HIND helicopter?

A He did refer to surface to air missiles but only generally. I don't think he specifically referred to the one in the folder.

Q When you said before that Colonel North referred briefly to the file folder that you had prepared, how did he refer to it?

A I don't remember the specific conversation, but he was describing to Mrs. Newington how the HIND helicopters had changed the battlefield tactics of the resistance forces, breaking them into smaller units, not allowing them to have large collections of soldiers. I also had a copy of a New York Times piece on the HIND helicopter, and as I remember he used that far more prominently than he used the folder.

Q Did Mrs. Newington ask Colonel North if he knew where to obtain surface to air missiles?

A As I recall, her specific question was, and you know where to get these? And he said yes, we know.

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Q And did Colonel North quote any prices to Mrs. Newington?

A I don't recall.

Q Did Mr. Channell then ask Mrs. Newington if she would help by contributing money to the resistance?

A Are you asking me if that was -- are you asking in proper time? Because I'm not sure whether Colonel North was still in the room at the time.

Q I was going to ask you was Colonel North in the room when Channell asked for a contribution?

A Colonel North, I don't think, was in the room when Channell asked her for a specific contribution.

Q Do you know whether or not his absence from the room at the time of Channell's request was prearranged?

A I don't think specifically, but it was his practice not to be in the presence of the donor when they were asked for money.

Q Just so we clarify the record, did Channell ask Mrs. Newington if she would contribute money for the Contras?

A Yes.

Q And did Mrs. Newington indicate whether she would contribute?

A Yes.

Q What did she indicate?

A As I recall, I'm not sure whether I knew it

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specifically that night or subsequently, but it was $1,200,000.

Q And are you aware that Mrs. Newington later made stock contributions to NEPL of approximately $1 million?

A Yes.

Q And are you aware that those contributions were made sometime within the next four to six weeks?

A Yes.

Q Were those contributions subsequently passed to IBC and then to I.C., Inc. for purposes of providing assistance to the resistance movement?

A They were passed to IBC and then they were passed on for the resistance. Without the report in front of me, I can't tell you whether all of it went through I.C., Inc. or whether some of it may have gone directly to [illegible] Resources.

Q [illegible] may that [illegible] passed, we understand that the contributions were turned from stock into cash prior to having been passed to IBC?

A I believe that's correct, by NEPL.

Q Was there a time after NEPL began making payments to IBC and I.C., Inc. for the resistance movement, that you discussed with Colonel North your desire and the desire of Frank Gomez to receive compensation both for the services you were performing and the professional risk involved in the funneling of funds to the resistance?

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A Yes.

Q When did you have that discussion with Colonel North?

A Sometime in late '85 or very early in '86.

Q Did you tell Colonel North that you and Mr. Gomez wanted to receive 10 percent of the NEPL payments that were flowing through IBC or its related entities?

A That's correct.

Q And did Colonel North agree that you and Mr. Gomez could deduct 10 percent of those payments as compensation?

A Yes.

Q And in approving that compensation, did Colonel North indicate that he believed that 10 percent was reasonable?

A Yes.

Q Did he say that 10 percent was reasonable because most of the other people in the business of providing assistance to the Contras were taking 20 to 30 percent, or something to that effect?

A That's almost exactly what he said.

Q Did you ultimately arrange to take 10 percent of the contributions that flowed through IBC and/or its related entities?

A Yes.

Q Did you pay that amount to a corporation that you established in the Cayman Islands called World Affairs Counselors, Inc.?

A Yes.

Q Did the~~y~~ money that went into World Affairs Counselors, Inc., that is the 10 percent, ultimately find its way to Miller Communications and Gomez International?

A Yes.

Q Did you ever tell Channell or Conrad that you were taking the 10 percent cut from the contributions that were flowing through?

A I didn't tell Mr. Channell until December or January of this past year.

MR. KAPLAN: I have no further questions under our arrangement with your counsel to call you in on such short notice, [illegible] testimony under [illegible] on these two issues. [illegible] express our reservation to call you back at some later point in time, to take your testimony under oath on a broader range of issues. I just want to state that for the record.

It is the short notice to you and also the fact that we know that you've been involved in heavy preparation and grand jury testimony recently, which led us to limit our examinations today and I appreciate you and your counsel coming down here and I appreciate your cooperation in responding to questions today.

I don't know if House Minority Counsel has any further questions but I'll leave the floor to him.

MR. BUCK: I'd just like to ask you a few questions, Mr. Miller.

EXAMINATION

BY MR. BUCK:

Q Did you know Mr. North to exaggerate stories at all? Did you find him to embellish tales?

A I've never seen any indication that he had done that. I've seen newspaper accounts of it, but I've never had any personal experience with him doing that.

Q Did you know that Mrs. Newington's home was searched for bugs, for electronic eavesdropping devices, at one time?

A Yes.

Q Did you feel that was necessary?

A It was necessary to her, so we accomplished it.

MR. BUCK: I have no further questions.

[Whereupon, at 3:44 p.m., the taking of the deposition was concluded.]

CERTIFICATE OF NOTARY PUBLIC

I, PAMELA BRIGGLE, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by the witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

Pamela Briggle

PAMELA BRIGGLE
Notary Public in and for the
District of Columbia

My Commission expires May 14, 1990.

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UNCLASSIFIED (ORIGINAL)

SELECT COMMITTEE TO INVESTIGATE COVERT
ARMS TRANSACTIONS WITH IRAN

UNITED STATES HOUSE OF REPRESENTATIVES

AND

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

- - -

Friday, July 3, 1987

Washington, D.C.

The continued deposition of RICHARD R. MILLER was commenced at 9:15 a.m., in Room 901, Hart Senate Office Building, when were present:

For the Senate Select Committee:

THOMAS MC GOUGH, ESQ.
Associate Counsel

For the House Select Committee:

KENNETH R. BUCK, ESQ.
Assistant Minority Counsel

THOMAS FRYMAN, ESQ.
Staff Counsel

FOR THE DEPONENT:

RONALD G. PRECUP, ESQ.
ADINA N. AMITH, ESQ.
Nussbaum, Owen and Webster
1800 M Street, Northwest
Washington, D.C. 20036

Partially Declassified/Released on 12-22-87
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PROCEEDINGS

(9:15 a.m.)

MR. BUCK: Let's go on the record.

Mr. Miller, my name is Ken Buck and I am the Assistant Minority Counsel with the House Select Committee, and I'd ask everybody at the table to just introduce themselves, please.

MR. MC GOUGH: I'm Tom McGough, Associate Counsel to the Senate Select Committee.

MR. FRYMAN: I'm Thomas Fryman, Staff Counsel to the House Committee.

MS. AMITH: I'm Adina Amith, an associate at Nussbaum, Owen and Webster, representing Mr. Miller.

MR. PRECUP: I'm Ronald G. Precup, representing Mr. Miller.

MR. MILLER: I'm Richard R. Miller, witness.

MR. BUCK: Mr. Miller, I'd remind you that you're under oath. This is a continuation of your previous deposition.

At this time, I'd like to mark the order from the House Select Committee, order granting immunity, as Exhibit 1 in the Miller deposition.

MR. MC GOUGH: Excuse me. If we are making this a continuation of the other deposition, there is already a Deposition Exhibit 1.

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MR. PRECUP: Yes. This would be number 2.

MR. MC GOUGH: No. We've got 1, 2, 3. This should be Deposition Exhibit Number 4.

MR. PRECUP: Number 4.

[Whereupon, the document was marked as Miller Deposition Exhibit No. 4 for identification.]

Whereupon,

RICHARD R. MILLER

was recalled as a witness and, having previously been duly sworn, was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MR. BUCK:

Q Mr. Miller, are you a partner in International Business Communications, or IBC?

A Yes.

Q Is IBC a political and media consulting firm?

A Among other things, yes.

Q Since graduating from the University of Maryland in 1976, have you been employed in the field of broadcast services and public affairs?

A Yes.

Q Would you say your area of expertise is public affairs or fund-raising?

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A I would say it's public affairs and business and trade promotion.

Q Before April 1985, how many fund-raising jobs had you held?

A None.

Q Is it fair to say that your greatest exposure to fund-raising a result of having Mr. Channell's corporations as clients?

A Greatest, yes, but not only.

Q What other exposures have you had?

A I was exposed to it during the Reagan campaign and I've had a contract with a couple of direct marketing firms.

Q Do you know if Colonel North was a fund-raiser by profession in 1985?

A No.

Q Did Frank Gomez have fund-raising experience before April 1985?

A Not that I'm aware of.

Q Did you know of Mr. Channell's fund-raising experience when you met him in early 1985, or did you learn of it soon thereafter?

A I learned about his experience in the spring of 1985.

Q Did you learn about Mr. Conrad's experience also during that time?

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A Yes.

Q Did you know that Mr. Channell and Mr. Conrad had extensive experience raising funds for tax-exempt corporations?

A Yes.

Q Did you believe Mr. Channell and Mr. Conrad would determine the legality of their fund-raising techniques?

A Yes.

Q Did you rely on Colonel North to determine the legality of the expenditures of Lake Resources?

A Yes.

Q Did Mr. Channell discuss weapons needs of the Nicaraguan resistance with potential contributors?

A Yes.

Q Are you aware of Mr. Channell contacting Colonel North to tell Colonel North the specific weapons which particular contributors donated money for?

A I don't have any direct knowledge of that.

Q Is Colonel North the type of person, in your opinion, to buy weapons which Mr. Channell told him he should buy? Can you answer that?

A Yes, easily. No.

Q Okay. Is it your opinion that Mr. Channell discussed the weapons needs of the Nicaraguan resistance with potential contributors as a fund-raising technique?

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A Yes, it's possible.

Q . Were you aware that the National Endowment for the Preservation of Liberty, or NEPL, was a 501(c)(3) tax-exempt corporation?

A Yes.

Q When did you become aware of this?

A Probably June.

Q Of?

A '85.

Q Did you know that tax-exempt corporations can only spend their money for limited purposes?

A I was generally aware of that at the time.

Q What is your understanding of those limited purposes?

A Now, it's pretty good, but back then it was that it simply could not be used for--my only concern was that it not be used for things that would violate the Neutrality Act of the United States or the Export Act, Export Control Act.

Q Did you ever tell Mr. Channell to use NEPL, as opposed to any of his other corporations, for the purpose of raising money for the Nicaraguan resistance?

A No.

Q Did you ever discuss with Mr. Channell the appropriate Channell organization to receive money raised for the resistance?

A No.

Q Are you aware of Colonel North ever advising Mr. Channell which of Mr. Channell's organizations should receive money which was raised for the Nicaraguan resistance?

A I'm not aware of any such conversation.

Q Would Colonel North's advice on this matter be inconsistent with the division of responsibilities, as you saw those?

A Yes.

Q To your knowledge, was Colonel North involved in the day-to-day operation of any tax-exempt corporation?

A No.

Q Was Colonel North present when you or anybody you know solicited money for the Nicaraguan resistance?

A In--let me think. Once he was present, but not in immediate proximity. On another occasion, I still don't have a clear recollection, but I believe he left the room before the actual solicitation took place.

Q Was it Colonel North's practice to excuse himself when potential contributors were being solicited for money on behalf of the Nicaraguan resistance?

A Yes, and initially he refused to even be present during solicitations.

Q Do you have any knowledge that Colonel North knew what organizations Mr. Channell or his employees were

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soliciting money for?

A I don't think he had a specific knowledge of which organizations, but he knew Mr. Channell was president of NEPL, National Endowment for the Preservation of Liberty.

Q Did he also know that Mr. Channell was president of the American Conservative Trust?

A Yes.

Q Sentinel?

A Probably.

Q In other words, Mr. Channell had a great number of corporations that he could have been raising money for, and what I'm asking is did Colonel North know which of those corporations he was raising money for?

A Besides the fact that I think you're extending the universe on this, I can't--I know he knew about NEPL and I know he knew about ACT. The others, I can't tell you because we produced commercials that had ACT on them initially which he had seen, and National Endowment for the Preservation of Liberty was prevalent on the literature that he saw at the time of summer of '85 and into '86.

Q My question is whether Colonel North knew that Mr. Channell was raising money for a tax-exempt corporation.

A I can't speak for him in that regard.

Q Do you know specifically--.

A We have to revisit that question.

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Q Okay, let's.

A His office, particularly--I think it was Bob Earl requested a list of tax-exempt organizations who were on the Administration side of the issue and one of them, as I recall, was the American Conservative Trust. I don't think one of them was the National Endowment for the Preservation of Liberty.

Q Who did he request the list from?

A From me. He asked me to put it together, so he would have known that the American Conservative Trust was a 501(c), whatever it was, (6) or (4), because it would have been on the list, and you have that document somewhere.

Q Okay. You're aware that Colonel North knew that Mr. Channell was raising money for the Nicaraguan resistance?

A Yes.

Q And you're also aware that Colonel North knew that Mr. Channell had a few organizations, a few corporations?

A Yes.

Q Are you aware of whether Colonel North knew which organizations Mr. Channell was using to solicit money for the Nicaraguan resistance?

A I don't recall a specific conversation between North and myself on which Channell entity was raising money.

Q Do you specifically know if any of the money which was received by International Business Communications, IC,

[illegible]

Inc., or Intel Cooperation, or which was distributed to other accounts from those corporations was used to buy weapons?

A I don't know. I think the vast majority of it was not, and I think I can prove that to some certainty.

Q But my question has to do with the time frame within which the money was being raised. At that time, did you know of any of that money being used to buy weapons?

A At that time, we had specifically raised $1 million for weapons.

Q Thank you, and did you spend that money on weapons? Did you personally spend that money on weapons?

A No.

Q So, to your knowledge, the money was spent--if it was spent on weapons, it was spent on weapons by someone else?

A Correct.

Q And the money was out of your control when it was spent on weapons?

A Correct.

Q So you have no personal knowledge whether money was ever spent on weapons, or do you have any personal knowledge?

A No.

Q Let me ask you more specifically, do you have any knowledge of whether contributions to NEPL were used to purchase military and other types of non-humanitarian aid for the Contras?

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A I am generally aware that money raised by NEPL was used in the air resupply operation, which would have been a military undertaking, but aside from that I don't have any--.

Q Could you define military undertaking for me?

A There was initially an effort to deliver the 27 million in humanitarian assistance to fighters deep inside Nicaragua, and then eventually it was a full resupply operation.

Q Delivering lethal and non-lethal aid?

A Correct.

Q Okay. I want to distinguish between a delivery of military aid and necessarily military.

A And the answer is no.

Q Okay, if you buy that distinction, if you agree with that?

A I not only agree to it; it was exactly what was the state of mind at the time. It was the way we viewed it.

Q That an air resupply was not a military operation?

A Was not military aid; it was not lethal aid. It was an allowable expense.

Q Of?

A Of anybody in the United States to make. It wasn't in violation of the Neutrality Act and was not in violation of the Arms Export Act.

Q Could you tell me how you developed that knowledge

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or opinion?

A My general discussion with Colonel North, discussion with attorneys, and discussion with my partner, who was a 20-year Foreign Service officer.

Q Did Colonel North ever show you a legal opinion from a Washington, D.C., law firm which discussed that issue?

A No.

Q Are you aware of whether Colonel North may have had an opinion on that subject, a legal opinion?

A Generally, but I have no specific knowledge of who the law firm was or what the specifics of the opinion was, but he had referenced it one time.

Q Okay. Do you know of any contributions to NEPL which were solicited and were ultimately used to purchase military and other types of non-humanitarian aid for the Contras?

A Your question hinges on "ultimately used," aside from the air resupply effort.

Q Was it the intention of everybody involved to purchase particular weapons with particular contributions at the time that the money was being raised?

A Again, in the one instance in which we were specific about weapons, it was a specific contributor, specific amount for a specific weapon.

Q And what contribution was that?

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A That was Mrs. Newington. It was roughly $1 million and it was for 50 shoulder-launched, heat-seeking, ground-to-air missiles.

Q Are you aware of whether that money was used to purchase missiles?

A No. In fact, that's the one instance in which I asked Colonel North--I had seen in the paper and on television--I read everything on the subject, and did back then as well, and I didn't see any evidence of an increase in the number of missiles on the ground and the Hind helicopters were continuing to be a pretty deadly counterforce.

And I asked him why there was not more evidence of missiles and his response was they didn't need the missiles--they needed the radios more than they needed missiles. They needed these more than they needed missiles, and he brought out a brochure which was of some kind of radio, an encrypted radio of some kind.

Q Did you meet Mr. Channell at a meeting for the Nicaraguan refugee dinner in early 1985?

A Yes.

Q Was this the first time you met Mr. Channell?

A Yes.

Q Did you meet Dan Conrad around the same date?

A No.

Q When did you meet Mr. Conrad?

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A I think the first time I met Conrad was when he came with Channell to my office.

Q Which was?

A April.

Q Of 1985?

A Right.

Q Soon after the Nicaraguan refugee dinner, did you receive a call from John Roberts in which he told you that Mr. Channell wanted to help the President on Nicaragua?

A Yes.

Q Was it your impression that Mr. Channell wanted to do a media campaign to encourage public support for a future Congressional vote on Contra aid?

A Yes.

Q Did John Roberts indicate to you that Mr. Channell expected you to assist Mr. Channell with fund-raising?

MR. PRECUP: Excuse me. I think you misspoke. You used Channell twice in that sentence. Would you just repeat the question?

MR. BUCK: Sure.

BY MR. BUCK:

Q Did John Roberts indicate to you that Mr. Channell expected you to assist Mr. Channell with fund-raising?

A No.

Q What involvement did you have in assisting Colonel

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North or anyone else on the national security staff with Central American issues before you received the telephone call from John Roberts?

A As part of our State Department contract, we had provided escort services for defectors from the Nicaraguan government, members of the Nicaraguan opposition, internal opposition, the senior political figures in other Central American countries, and in doing that we had come into contact with Colonel North.

We had also, under instructions from Jonathan Miller, worked briefly out of North's office on securing media appearances and non-media meetings for Adolfo Calero, Arturo Cruz, and Alfonso Rubello when they came to Washington following their San Jose declaration.

So we knew Colonel North and he knew of our activities prior to our relationship with Channell.

Q What did John Roberts tell you concerning Mr. Channell when he called you the first time?

A That he used to be one of the NCPAC people, fairly high up--I've forgotten how he exactly characterized him--and that he wanted to do something political to help the President, and he gave me the name of the organization and told me that it was a federal PAC kind of like NCPAC, but only--the difference was that Channell only took on issues that were supportive of the President and was not publicly

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critical of the President, even though he may have differed with him privately.

So his objective was to give the President political action support affirmatively on foreign policy issues with which he agreed with the President, and that was the summation of what Mr. Roberts told me.

Q Were there other groups or entities that were supporting the White House on Central American policy in similar ways that you were during this time frame?

A That I was?

Q Well, that IBC was.

A Not that I'm aware of.

Q Okay.

A Not in the way IBC did, no; not as a contractor, no. There were private groups, non-profit types, but not corporations.

Q So there were private groups that were assisting the White House in Central American policy?

A Several--many would be a better term.

Q Were you involved in any fund-raising efforts with Colonel North or the NSC staff before you received the call from John Roberts?

A No.

Q Would it surprise you to know that John Roberts allegedly referred to your organization as the White House outside the White House on the Central American issue?

A Yes, it would surprise me.

Q Would that be an accurate statement?

A No.

Q Have you known John Roberts since August 1980?

A Yes.

Q Would you characterize your relationship as good friends?

A Yes.

Q Is your relationship with John Roberts over the past seven years such that he may have tried to exaggerate your importance in the Central American area to convince Mr. Channell to use your services?

A I doubt it.

Q Okay. How many times did you hear Colonel North's briefing on the Nicaraguan resistance in Central America?

A Twenty times, probably.

Q Was it a standard briefing or were there radical changes in the information given out?

A It was standard.

Q Did you participate in helping Colonel North develop that briefing program?

A I know that in the first instance of my seeing it, some of the pictures he used were pictures Frank Gomez took at the camps in Honduras, which was a pleasant surprise for us, and then much later in '86 following a Channell critique, I suggested to Colonel North that the briefing needed to be updated and he asked me to put together some recommendations, which I did.

Q Who did Frank Gomez take the pictures for?

A He was in--well, for himself, but he was in the camps as a result of our State Department contract.

Q So he then gave those pictures to the State Department?

A He gave them to a lot of people. He just made multiple sets and provided them to people.

Q Okay. Would it surprise you to hear that Colonel North gave the same standard briefing to 110 different groups during an 18-month period?

A No, not at all.

Q In the spring of 1985, did Mr. Channell ask you on two separate occasions why he could not do more to help the Contras?

A Yes.

Q Did it appear to you that Mr. Channell had access to a group of potential contributors and was seeking foreign policy issues so that he could solicit funds and retain a percentage of the donation?

A I wouldn't characterize it that way. He was very much interested in addressing the key foreign policy issues of the Reagan Administration and he had settled on Nicaragua, terrorism, and the SDI program, and like any non-profit, he keeps an administrative overhead. It's a part of his operation; it's characteristic of a non-profit.

Q My question is whether Mr. Channell was attracted to the issues and then went out and sought contributors or did he have contributors and look for an issue with which to seek donations?

A Oh, I think it was clear to me after the meeting in the winter at the time of the Nicaraguan refugee fund dinner that he had a large number of very wealthy contributors who had a great deal of confidence in him, and that it was a matter of him best choosing the issue to which they would then apply their resources.

Q Did Colonel North ask you to discourage Mr. Channell's efforts during this time because Colonel North could not envision Mr.Channell in that role?

A In fact, I asked him at least twice and was declined twice for Mr. Channell to raise money directly for the resistance.

Q And you passed this information along to Mr. Channell?

A Well, yes, but I think I did it pretty diplomatically and I'm not sure I directly referenced Colonel North, but I discouraged him from doing it.

Q Did Mr. Channell proceed to invite Adolfo Calero to speak at a fund-raising dinner?

A Yes.

Q Did Mr. Channell and Adolfo Calero discuss the purchase of a particular type of airplane around this time period?

A Yes.

Q Did Mr. Channell inform you of his conversations with Adolfo Calero?

A Yes.

Q Did you inform Colonel North about the conversations between Mr. Channell and Adolfo Calero?

A Yes.

Q Was Colonel North upset because the plane being discussed had no ability to perform the functions for which it was intended?

A Yes.

Q Did Colonel North give you a pamphlet describing a maul airplane?

A Yes.

Q Did you give this pamphlet to Mr. Channell?

A I don't recall giving him the pamphlet, but I recall giving him the specifications of the aircraft.

Q To your knowledge, is this Colonel North's first involvement in fund-raising activities by Mr. Channell's organizations?

A . Yes.

MR. PRECUP: Do you want to just go off the record while he's out?

MR. BUCK: Sure.

[Pause.]

MR. BUCK: Go back on the record.

BY MR. BUCK:

Q Mr. Miller, do you know of any specific cases in which Colonel North was present when solicitations were made for contributions for the Nicaraguan resistance?

A He was present when solicitations were made. I'm not entirely clear whether he left before the actual dollar amount was discussed with the contributor.

Q Was it his general practice to leave before solicitations were made?

A Yes.

Q Was Colonel North aware of Mr. Channell using NEPL to solicit money for the Nicaraguan resistance?

A Again, specifically, I don't think--I don't recall a specific conversation between myself and Colonel North that would have indicated that he was specifically aware, but I think generally he was aware that NEPL was the entity Channell was using for fund-raising.

Q In early April 1985, did you, Frank Gomez, Mr.

Channell and Mr. Conrad meet with John Ramsey?

A Yes--when did you say?

Q Early April 1985.

A Yes.

Q Was the purpose of the dinner to solicit funds from Mr. Ramsey to support Adolfo Calero and the Nicaraguan Development Council?

A That's correct.

Q Did you inform Colonel North that you would be meeting Mr. Ramsey to solicit funds for Mr. Calero?

A I don't remember whether I told him or not.

Q Do you have knowledge whether Colonel North knew that Mr. Ramsey would be soliciting funds for Mr. Calero?

A I don't remember specifically.

Q Did you brief Mr. Ramsey own the type of weapons that the resistance were using and how the resistance was supplying themselves?

A In general terms, yes.

Q Who raised the subject of weapons at the Ramsey meeting?

A Gee, I don't recall specifically who did.

Q Do you recall how the subject was raised?

A I remember that Ramsey was interested in a shotgun drive and we told him that was not legal.

MR. MC GOUGH: I'm sorry. Not lethal or not legal?

THE WITNESS: Legal. It was not legal, and I think we then got into a discussion of the types of arms they were using.

BY MR. BUCK:

Q So you believe Mr. Ramsey raised the subject first?

A That's my recollection, but, of course, we have the transcript and we can look at that. You have it here.

Q Did you introduce Colonel North to Mr. Channell at a briefing on June 27th, 1985?

A I believe so, yes.

Q Was it your understanding that that was the first time they met?

A Yes.

Q Is it fair to say that weapons were being discussed in conjunction with raising money for the Nicaraguan resistance before you introduced Colonel North to Mr. Channell?

A I'm sorry. Could you ask the question again?

Q Is it fair to say that weapons were being discussed in conjunction with raising money for the Nicaraguan resistance before you introduced Colonel North to Mr. Channell?

A Discussed by whom?

Q Discussed by yourself and Mr. Channell with Mr. Ramsey.

A Again, in general terms, yes.

Q Previously in your deposition, you discussed a

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$10,000 contribution by John Ramsey in June of 1985?

A Well, there was a contribution. I think it's about $10,000.

Q Okay.

A It may have been 20, but I'm not clear on the ultimate amount.

Q I believe you also testified that in early June 1985 you received a call from Colonel North. Did he say the resistance needed $30,000?

A Yes.

Q Did Colonel North say the resistance needed this money because they were ill-fed, ill-equipped, ill-clothed or lacked medicine?

A I don't recall the specific need other than recalling that it was not for weapons. I think it was either for political affairs or humanitarian assistance, but it was a desperate need, nonetheless, whatever it was.

Q To your knowledge, did Mr. Ramsey's money ever pass through a tax-exempt corporation?

A No.

Q During your conversations with Colonel North around this time period, did you ever discuss the legality of Colonel North requesting that you raise money for the resistance?

A No--well, I don't specifically recall a conversation

[illegible]

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about it.

Q . On or about July 9th, 1985, did you participate in a meeting at the Hay Adams Hotel with Mr. Channell, Mr. Conrad and Colonel North?

A Yes.

Q Was there a general understanding between the four participants in the July 9th, 1985 meeting that the money to be raised by Channell would be used for humanitarian assistance?

A I think the only supposition at that time was that it would be used for the support of the resistance. Generally, during that period we were raising money for humanitarian purposes. That was the focus of everybody, not just Channell, involved in trying to secure funds for the resistance.

Q Do you know if Colonel North was aware of the dinner in April in which weapons were being discussed?

A Again, I don't specifically remember a conversation discussing it with him.

Q Did Mr. Channell request the July 9th, 1985 meeting at the Hay Adams to ensure that money his organizations were raising was going to the correct place?

A Yes.

Q Did Mr. Channell express a concern at that meeting that the money he raised for a particular purpose be spent on that purpose?

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A He raised the general purpose of the meeting, which was to assure that it was going to the benefit of the resistance.

Q Okay, but was he more specific than that?

A Not to my recollection.

Q Did anyone at this meeting discuss the organizations Mr. Channell used to raise these funds?

A I don't recall a specific conversation on that. It may have taken place, but I don't recall it.

Q Did Mr. Channell ever seek control over the use of money after he transferred the money to your organizations?

A No.

Q Did you ever seek control over the use of money after you transferred the money to Lake Resources or after you transferred money anywhere else?

A No.

Q Did you form IC, Inc. so you could have a Cayman Islands bank account?

A Yes.

Q Did IC, Inc. have two Cayman Islands bank accounts, an interest-bearing account and a holding account?

A Ultimately, yes.

Q Was the main purpose of IC, Inc. to keep money out of the U.S. so it would not have to be taxed?

A No.

Q What was the main purpose of IC, Inc.?

A Originally, it was set up to handle the [redacted] There was no reason to bring it into the United States first. It was foreign money going to a foreign beneficiary, and so IC, Inc. was established for that purpose initially.

Q Was it ever the purpose of IC, Inc. to keep money out of the U.S. so it would not have to be taxed?

A No.

Q Okay. Did you pay an annual fee to a company to oversee the management of IC, Inc.?

A Yes.

Q Were you the sole shareholder of IC, Inc.?

A No.

Q Who else was a shareholder in IC, Inc.?

A Francis D. Gomez and three fellow directors who are the managing directors in the Cayman Islands which have a nominal number of shares.

Q Did you request the management company to change the name of IC, Inc. to Intel Cooperation in May of 1986?

A I requested them to change it to International Cooperation and they got as close as they could, and under the agreements that you have with these people they can make those kinds of decisions and they thought Intel was close

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enough. So that's why it was called Intel as opposed to International.

Q Was the purpose of the name change so that you could amend the company's charter to more accurately reflect the specific purposes for which you formed the company?

A The name was changed at the same time I amended the charter, and the reason for amending the charter was to make the company--the reason for amending the charter is that the Cayman Island charters are so broad, they're not specific enough that somebody reading them would know what a corporation does, and I wanted people to be very clear about what the corporation did as its primary function and therefore I amended the charter.

Q Who are the shareholders of Intel Cooperation?

A Myself, Francis D. Gomez, and I'm sorry I can't remember who the other three are, but they are nominal shareholders who make up the directors, managing directors in the Cayman--.

Q The same shareholders that were shareholders of IC, Inc.?

A Correct. It was just a name change. It did not change the corporate structure.

Q Before you formed IC, Inc., did you consult Colonel North?

A Yes.

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Q Was Colonel North ever a signatory on either of the two Cayman Island bank accounts?

A No.

Q Did Colonel North ever directly contact your management company?

A No.

Q Did Colonel North have any role in the name change or charter amendments of Intel Cooperation?

A No.

Q Is it fair to say that Colonel North did not exercise any operational control over IC, Inc. or Intel Cooperation?

A Operational control, no, but he did direct the expenditures from the accounts.

Q Okay, but he asked you to direct the expenditures, is that correct?

A He directed me to direct the expenditures.

MR. BUCK: That's all the questions I have.

MR. MC GOUGH: Can we take maybe a five-minute break?

MR. PRECUP: Sure.

MR. MC GOUGH: I've got to take care of something, then we'll come back.

MR. PRECUP: We're off the record.

[Brief recess.]

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MR. MC GOUGH: Let's go on the record.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. MC GOUGH:

Q Mr. Miller, there are a few questions that are follow-ups on some of the topics we talked about in the first period and then there are some questions that follow up on some of the questions that Mr. Buck asked. There are always follow-ups to follow-ups to follow-ups.

Just so the record is clear, does any of the testimony today change in any way any of the answers you gave during your first deposition?

MR. PRECUP: Wait a minute. I have to object to that question. It's just putting the witness at great disadvantage. He testified for two hours before and the general question, do any of these answers change anything he had to say before, depends upon reading the transcript.

MR. MC GOUGH: Has he had a chance to read the transcript?

MR. PRECUP: He has read the transcript, indeed he has, but he hasn't parsed one against the other.

BY MR. MC GOUGH:

Q Well, maybe the way to put it is, to your knowledge, as we sit here today is there anything in that transcript that's inaccurate?

MR. PRECUP: That's a fair question.

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THE WITNESS: To my knowledge, no.

BY MR. MC GOUGH:

Q Between the time of the last deposition and this deposition, have you met with anyone from either the House or the Senate Committee--you personally met with anyone from either the House or the Senate Committee?

A No.

Q And between the times of those two depositions, were you told with any specificity what the questions were going to be today?

A No.

Q Mr. Miller, on or about May 6th, 1987, did you enter a plea of guilty to a one-count information in United States District Court?

A Yes.

MR. MC GOUGH: Let's mark it, if we could, as a deposition exhibit.

[Whereupon, the document was marked as Miller Deposition Exhibit No. 5 for identification.]

BY MR. MC GOUGH:

Q Take a look, if you would, at what has been marked as Deposition Exhibit 5. Is that, in fact, the information to which you entered a plea of guilty?

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A Yes.

Q And at the time you entered that plea of guilty, did you name in open court Colonel Oliver North as a co-conspirator?

A No.

Q Did you identify any co-conspirator in court?

A No--I'm trying to remember.

[Witness conferring with counsel.]

THE WITNESS: Well, that's a different question.

MR. MC GOUGH: What is a--.

MR. PRECUP: Would you like to go off the record?

MR. MC GOUGH: Yes, let's go off the record.

[Discussion off the record.]

MR. MC GOUGH: Let's go back on the record.

I think there was a question and the answer to the question was no. Did he name Colonel North as a co-conspirator, and at that point we went off the record. If there was an outstanding question prior to going off the record, I'll withdrew it.

Let's have this marked as Exhibit 6, if we could.

[Whereupon, the document was marked as Miller Deposition Exhibit No. 6 for identification.]

BY MR. MC GOUGH:

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Q Mr. Miller, do you recognize Exhibit 6?

A Yes.

Q And are they your notes in your handwriting?

A Yes.

Q And the date at the top, I believe, is September 18th, 1985, is that correct?

A Correct.

Q And were these notes written on or about September 18th, 1985?

A Yes.

Q Now, the numbers 7, 8 and 9 appear to be in a slightly different script or pen than the numbers above it. To the best of your recollection, were the numbers 7, 8 and 9 written at the same time as the numbers 1 through 6?

A No.

Q Were they written on the same day, if you know?

A I don't remember exactly.

Q Was it your practice on occasion to list numbers consecutively even though they did not take place in the same conversation?

A Yes.

Q Concentrating for a moment on numbers 7 and 8--$415,000-Weapons, C4, M79; and number 8, $520,000, maul--to the best of your recollection, what was the source of those notes?

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A Colonel North and I had a discussion about finding what Mr. Channell called big-ticket items for contributors, and those were two of the items which we discussed. I don't remember a great deal of discussion on number 7. I have a fairly specific remembrance on number 8.

Q Now, $415,000--was that an amount given to you by Colonel North?

A I believe so.

Q And the $520,000 was also an amount given to you by Colonel North?

A That, I'm sure of.

Q And at the time you were discussing these big-ticket items, did you inform Colonel North that these would be used to solicit money from contributors?

A Yes.

Q There were times, where there not, when you asked Colonel North to draft thank you letters, and specifically thank you letters to Mr. Channell and his organizations? Is that fair to say?

A Yes.

Q And among those thank you letters were thank you letters written commending the National Endowment for the Preservation of Liberty and its efforts on behalf of the Nicaraguan cause, is that correct?

A Cause, yes.

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Q At the briefings conducted at the White House in which Colonel North participated--those are the briefings sponsored by Mr. Channell--there was information distributed, was there not, on the National Endowment for the Preservation of Liberty?

A At the White House briefings given by Colonel North? I don't recall any.

Q Were there packets of information put together that were distributed at dinners or meetings after the briefings?

A Yes.

Q To your knowledge, did Colonel North ever attend any of those dinners or meetings?

A I know he attended one at the Hay Adams. I think he attended one at the Hay Adams.

Q To your knowledge or to your recollection, did Colonel North ever see any of the material or descriptive material on the National Endowment for the Preservation of Liberty?

A Probably, yes.

Q There were occasions, were there not, Mr. Miller, where Colonel North assisted you and Mr. Channell in obtaining White House support for Mr. Channell's fund-raising efforts, and by that I mean either thank you letters from the President to contributors or use of White House facilities or even meetings between Mr. Channell's contributors and the President? Is that fair to say?

There were times when Colonel North assisted you and Mr. Channell in those efforts in obtaining that support from the White House?

A Could you take them one at a time?

Q Sure.

A I mean, you've thrown out a whole bunch of questions.

Q Okay. I know I've thrown out a whole bunch. Let's take the Presidential drop-by at the January 1986 meeting. To your knowledge, did Colonel North assist you and Mr. Channell in obtaining a Presidential drop-by for the January 1986 briefing?

A The answer to your question is no, specifically. In general terms, as I understand the way the briefing was arranged, it was arranged by the Office of Public Liaison, who I went to in order initially to set up the briefing.

We requested that the national security briefing be given by Colonel North and that in whatever the flow of paper was at the White House that was agreed to. So we requested specifically when I went to see Linda Chavez that Colonel North would be the national security person giving the briefing.

Q And in order to obtain Colonel North's support or his attendance at the briefing, there were--I think you said there was paper flow at the White House. Is that fair to say that there were memos to be written and approvals to be given?

A I'm making an assumption that that's the case.

Q Do you ever recall drafting memoranda that described the National Endowment for the Preservation of Liberty or any of its contributors for submission to the White House?

A I've forgotten the exact date, but in the instance of Barbara Newington, we--myself, I drafted or provided some material for the drafting of a memorandum which I believe originated in the State Department in the Office of Public Liaison to Robert McFarlan~~d~~e suggesting that Mrs. Newington be given an appointment with the President.

Q And in that memorandum do you recall whether you made any mention of or described the National Endowment for the Preservation of Liberty?

A I believe I did, yes, because some of the programs she had contributed to were National Endowment public education programs.

Q Do you recall whether in these memoranda you referred to the National Endowment for the Preservation of Liberty as a non~~-~~profit organization?

A I don't specifically recall, but you have a copy of the memorandum.

Q Other than Mrs. Newington's case, can you recall drafting for the White House's consideration any memoranda about the National Endowment for the Preservation of Liberty?

A I don't recall drafting any memoranda. I think we offered potential talking points for a couple of the briefings. I don't think they were used, though.

Q Those talking points, would they have referred specifically to NEPL or would they have been more generally on the Nicaraguan situation?

A I think they would have been on NEPL.

Q And would they have included the fact that NEPL was a non-profit organization?

A Again, I'm not specifically sure, but, again, you have copies of them. I don't recall specifically.

Q Colonel North had direct contact with Mr. Channell and Mr. Conrad at times when you were not present, is that correct?

A Correct.

Q And there came a time, did there not, when Mr. Conrad began to bypass IBC in contacting Colonel North for assistance or information?

A I believe that's true. I know it was at least being attempted at one point and I had a specific conversation with Fawn Hall about it, and my general feeling was that that had begun to take place, yes.

Q You mentioned that Colonel North rebuffed two attempts on behalf of Mr. Channell to raise direct support for the Nicaraguan cause, is that right?

A Correct.

Q Do you recall what you told Colonel North about Mr. Channell and/or his organizations at the time you made those proposals to him?

A Not specifically, no.

Q Do you recall whether you told him that they were non-profit organizations?

A Again, I don't specifically recall the conversation.

MR. MC GOUGH: Let's have this marked as Exhibit 7.

[Whereupon, the document was marked as Miller Deposition Exhibit No. 7 for identification.]

BY MR. MC GOUGH:

Q Mr. Miller, take a look at Exhibit 7, if you will.

For the record, this is copied directly out of the Tower Commission Report, a page in the Tower Commission Report.

Have you ever seen a chart like this before?

A Yes.

Q Where?

A In Colonel North's office.

Q And can you put any kind of time frame on it?

A The only thing I can recall is that it was his old

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office, not the one that he was in at the time he was fired.

Q . All right, and can you just briefly tell us how this came to your attention?

A I went to see Colonel North because I had heard that there was going to be a public affairs effort in order to support the Afghan resistance and I was interested in finding out, so I went to try and get some business in that regard.

And I talked to him about that and his response was, okay, well, let me show you how a covert operation is set up, and he asked Bob Earl, as I recall, to get some kind of a piece of paper and Earl came back in with this, only it was on a yellow pad.

And North put it down in front of me and said, let me show you how a covert operation is set up. And with that, as I recall, the secure line went off in his office and he had to take a phone call and I got to stare at this thing for a few minutes and then I had to leave.

Q Now, to the best of your recollection, was the chart that you saw identical to or only similar to what we've marked as Exhibit 7?

A Similar to.

Q And in what respects, if you can recall, was it different?

A I don't remember the number of boxes, and I

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specifically don't remember this clutter over on the southeastern quadrant.

Q All right. Now, let's go from the southeastern quadrant to the northwestern quadrant and, in particular, three entries there, NEPL, ACT and IBC, under the heading "U.S."

Do you recall which, if any, of those boxes was on the chart that you saw?

A I think they were both on.

Q I think I named three, NEPL, ACT and IBC.

A I think all--.

Q All three?

A I think I remember all three being there.

Q You said that the name of IC, Inc. was changed to Intel Cooperation, and that was done to bring it--and at the same time the charter was changed to be more descriptive about what the company was doing?

A Correct.

Q What was added to or modified in the charter at the time the name was changed?

A I can try and do it from memory. I think you have a copy of the charter. It was to make the number one charter item the distribution of benevolent contributions to political, benevolent and humanitarian--I'm not sure the word "humanitarian" was used--organizations.

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Q Did the charter make any reference to military organizations?

A Not that I specifically recall, no.

Q Just as you recall, political, benevolent and educational organizations, as you call it?

A That probably is accurate, but again I'm doing it from memory. I don't recall it specifically, but I remember political entities was one of the words that was used.

Q And which of those entities would have been Lake Resources? What kind of entity was Lake Resources?

A At the time, I would have considered--at the time I did that charter change, I would have considered that to have been an organization in support of the resistance, part of the resistance.

Q I understand that, but which of the descriptive terms in th[illegible]

MR. [illegible] going to have to object to that. It's kind of an unfair question, Tom. If you would show him the charter page, if you have it with you--we don't have it with us--then we could relate the nature of the organization, perhaps, to one of the specifics mentioned.

We're trying to do that from memory and it is legal language. Mr. Miller is not a lawyer. It is a bit unfair to him, I think.

BY MR. MC GOUGH:

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Q Mr. Miller, did you suggest the language to be included in the charter change?

A Yes.

Q And you did that, you said, I believe, to bring the charter more into line with what Intel Cooperation was being used for, is that right?

A Correct.

Q And one of the things Intel Cooperation was doing was passing along sums of money to Lake Resources, is that correct?

A Correct.

Q And Lake Resources, I think you've described as an account--at that time, you believed it was an account somehow associated with what you've called the resistance, is that correct?

[illegible]

Q [illegible] did you change the charter to bring within its ambit an organization associated with the resistance?

A I would have considered the resistance a political entity.

MR. MC GOUGH: I think that's all I have.

MR. FRYMAN: I have no questions at this time. As I indicated before we began, I expect that this deposition will continue at another date and I will have further questions at that time.

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MR. BUCK: I have no more questions.

[Whereupon, at 10:25, the taking of the deposition was concluded.]

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CERTIFICATE OF REPORTER

I hereby certify as the stenographic reporter that the foregoing proceedings were taken stenographically by me and thereafter reduced to typewriting by me. I further certify that it is a true and accurate record to the best of my ability.

Victoria A. Ranucci

Victoria A. Ranucci

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CERTIFICATE OF NOTARY PUBLIC

I, PAMELA BRIGGLE, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by the witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

Pamela Briggle

PAMELA BRIGGLE
Notary Public in and for the
District of Columbia

My Commission expires May 14, 1990.

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[redacted]

Partially Declassified/Released on Jan 2, 1988
under provisions of E.O. 12356
by D. Sirko, National Security Council

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SELECT COMMITTEE TO INVESTIGATE COVERT
ARMS TRANSACTIONS WITH IRAN
U.S. HOUSE OF REPRESENTATIVES
AND
SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION
UNITED STATES SENATE

- - -

Thursday, August 20, 1987

Washington, D.C.

Deposition of RICHARD RODERICK MILLER taken on behalf of the Select Committees above cited, pursuant to notice, commencing at 9:10 a.m. in Room 901 of the Hart Senate Office Building, before Terry Barham, a notary public in and for the District of Columbia, when were present:

For the Senate Select Committee:

JAMES E. KAPLAN, Esq.
Associate Counsel

For the House Select Committee:

JOHN FRYMAN, Esq.
SPENCER OLIVER, Esq.
RICHARD J. LEON, Esq.

For the deponent:

EARL C. DUDLEY, JR., Esq.
Nussbaum, Owen & Webster
One Thomas Circle
Washington, D. C. 20005

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EXHIBITS

Exhibits	Marked
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PROCEEDINGS

Whereupon,

RICHARD RODERICK MILLER

assumed the witness stand and, having previously been duly sworn, was further examined and further testified as follows:

EXAMINATION BY COUNSEL FOR

SENATE SELECT COMMITTEE

BY MR. KAPLAN:

Q Good morning, Mr. Miller.

A Good morning.

Q As you know, my name is James Kaplan, and I'm Associate Counsel with the Senate Select Committee. This deposition is a continuation of prior depositions which were taken pursuant to immunity orders of both the House and Senate Committees, which I believe are marked as Exhibit 1--that is the Senate Immunity Order--and Exhibit 4--that is the House Immunity Order, respectively.

I simply remind you that you're still under oath.

Again, just for the record, could you state your full name.

A Richard Roderick Miller.

Q And your Social Security number?

privacy

A [redacted]

Partially Declassified/Released on JAN 12, 1988
under provisions of E.O. 12356
by D. Sirko, National Security Council

Q And what is your date of birth?

A 12-22-52.

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Q Now we've gone over your professional background, I believe in the prior depositions, except for a short period of time. Was there a time in your career in which you formed a public relations firm named Rand Corporation?

A RAM. R-A-M.

Q It's R-A-M?

A Right.

Q And when was that?

A Actually, it was not a corporation, it was a sole proprietorship, and it was 1981.

Q Was that at a time when you'd been furloughed from campaign activities on behalf of the Reagan campaign?

A That's a good choice of words. I thought of it before. That's exactly what had happened.

MR. DUDLEY: Off the record a minute.

MR. KAPLAN: Sure.

[Brief discussion off the record.]

MR. KAPLAN: On the record.

BY MR. KAPLAN:

Q Off the record, in a short discussion with your counsel, was your recollection refreshed such that you recall that RAM Corporation, the public relations firm that you formed, was actually formed in 1980?

A That's correct.

Q And was your recollection refreshed by the fact that you recalled that that corporation was formed at a time when you had been furloughed, temporarily, from campaign activities on behalf of the presidential campaign for Ronald Reagan?

A Correct.

Q Could you describe your educational background for us.

A My bachelor's degree is in government and politics from the University of Maryland. My associate degree is in general studies from Brandywine University. I also attended Northeastern University, between the two of those, in Boston, and one year prior to that at Catawba--prior to Brandywine, at Catawba College in Wilmington--or Salisbury, North Carolina.

Q You've testified, previously, that IBC, or International Business Communications became a partnership in 1986, between Miller Communications and Gomez International. Is that correct?

A Correct.

Q Was there a written partnership agreement?

A No. There was not.

Q Was there a joint venture with any entity at that time?

A In July of 1986 there was a joint-venture agreement signed between International Business Communications and

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David C. Fischer and Associates.

Q Has there ever been a written partnership agreement between Miller Communications and Gomez International?

A No.

Q How does the distribution of partnership proceeds work, as between Miller Communications and Gomez International?

A It is a 50/50 net split.

Q What is the joint-venture arrangement between IBC and David C. Fischer and Associates?

A It was to be a 50/50 gross split on clients that we both worked on. Shared clients.

Q Prior to July 1986, what was the structure of International Business Communications?

A Prior to July of '86?

Q Right.

A Well, in January of 1985--I'm sorry--January of 1986, we began operating as a partnership. We didn't form--we formed the corporations in January, I believe.

Q Okay.

A So we were operating in '86 as a partnership.

Q As a partnership. Let's take the period, then, prior to January 1986. What was the structure of IBC?

A It was a sole proprietorship.

Q And were you the sole proprietor?

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A Correct.

Q What was your relationship with Frank Gomez prior to the formation of the partnership in January of '86?

A On a legal, on a legal basis, Frank was a subcontractor. In reality, we were working towards what was the ultimate structure, which was a partnership.

Q And had Mr. Gomez been a subcontractor of IBC since some time in 1984?

A Again, he was on it for legal and tax purposes, was listed as a subcontractor, but again, we were working towards a partnership arrangement. And in fact in '85 actually had a split of profits, in 1985.

Q Okay. Prior to the joint-venture arrangement that was executed as between IBC and David C. Fischer and Associates in July 1986, what was the relationship between IBC and David Fischer, if any?

A David Fischer was a subcontractor at the end of 1985 through the beginning of 1986.

Q Could you explain, for the record, what you mean when you categorize someone as a subcontractor of IBC.

A A subcontractor, as I understand it, is somebody who's not an employee, and is not a participant in the firm in the way of ownership.

Q Were these people--that is, Mr. Gomez and Mr. Fischer--acting on some sort of a consulting arrangement with

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IBC?

A Well, again, in regards to Frank Gomez in 1985, Frank was, for all intents and purposes, a partner, and we accomplished the change in the structure in January of '86. As to Fischer and Marty Artiano, they were both consultants to IBC. Senior consultants.

Q I'd like to turn your attention to IC, Inc. for a while. When was IC, Inc. formed?

A April 1985.

Q And was IC, Inc. formed at Colonel North's request?

A Yes.

Q It was. And without going into all of the activities involving the fake Saudi prince, who we'll get into in much more detail later, can you tell us how that request came about.

A I was approached on the telephone by a gentleman by the name of Kevin Kattke, who told me that he had been referred by Colonel North, and that he had a very wealthy client who wanted to make a contribution to the Nicaraguan resistance, and asked if I would meet him.

I called Colonel North and told him of the phone call, and he told me that he had sent the phone call to me, and that I should go ahead and meet with him, which I did, and this person held himself out to be a member of the royal Saudi family.

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And he offered $14 million in aid, which was a rough match of what the President had asked Congress for, to the Nicaraguan resistance, and signed, in a subsequent meeting, a promise letter for proceeds from this oil transaction. And I discussed it with Colonel North, and I told him that I thought it would be ridiculous to bring 14 or $15 million into the United States, have the IRS promptly attach 7.5 million of it, and then have Adolfo Calero wondering where the other 7.5 was. And since it was money coming from Saudi Arabia and going to Calero, there was no reason for it to come into the United States. And I suggested that the transaction be handled offshore, and he agreed, and I--either before or after--I'm not now sure of that conversation--discussed it with some friends who did foreign banking, and the best location seemed to be the Cayman Islands.

Q Who discussed that with friends?

A I did.

Q That was you?

A I did.

Q All right. Now just a moment ago, you said that it was at Colonel North's request that you opened this Cayman Islands account, yet, in your testimony, you suggested that you had called Colonel North to tell him that you had come to a conclusion that it would be better to establish this offshore accounts, and I'm just trying to--

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A Actually, that conversation was not on the telephone, it was in a meeting, and--

Q But nonetheless, what I'm trying to clarify for the record is whose idea was it to form an offshore account to take these funds that the Saudi prince was intending to give to the contras?

A Well, I can't tell you exactly whose idea it was that it be an offshore account. I can tell you that my purpose in meeting with North was to seek his permission to do it in the fashion that I've just described it to you.

Q Did you watch Colonel North's public testimony before the Committees?

A I have no idea what--I haven't watched his testimony, or John Poindexter's.

Q Are you aware that Colonel North testified that the offshore account was established at his request?

A No. I'm not.

[Brief discussion off the record.]

MR. KAPLAN: Back on the record.

BY MR. KAPLAN:

Q Would it be inaccurate to say that the offshore account was established at Colonel North's request?

A I don't think so. I think that's consistent with what I've just said. I mean, I was an agent working on his behalf. I went to ask his permission to handle it the way it

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was being handled, and the individual was sent to me at his direction, so--

Q How did you reach the conclusion that you were an agent working on his behalf?

A I'm not sure I really even understand the question.

Q Well, you mentioned in your previous answer, that you considered yourself, with respect to the dealings with the Saudi prince, to be an agent working on behalf of Colonel North.

A Well, if you're attributing something to the word "agent", then maybe I'll just choose another term. I was working on his behalf.

Q Okay. And how did you arrive at the conclusion that you were working on behalf of Colonel North?

A Well, he had sent the individual to me. I had been involved in other activities with Colonel North, and it was obvious that I was being asked to handle this matter.

Q And was it obvious to you that you were being asked to handle this matter on his behalf?

A Yes.

Q What did he say to you, that led you to that belief? Or what circumstances gave rise to that belief? If you recall.

A First and foremost was having the individual sent to me to begin with, since there were other avenues available to him.

Q What other activities had you conducted on behalf of Colonel North, prior to the referral of the Saudi prince?

A We'd had meetings about policy in Central America. We'd had meetings about the Nicaraguan resistance. I had been in a couple of meetings with he and Adolfo Calero, and I had done things such as getting the resistance leaders to Washington for their meeting with the President. That type of thing.

Q And these are activities that you considered to be conducting on his behalf?

A Yes.

Q Who were the incorporators of IC, Inc.?

A Well, the two principal shareholders--and I'll profess a slight amount of ignorance about the Cay~~[illegible]~~man structure--but the two principal shareholders are Francis D. Gomez and Richard R. Miller. There are three nominal shareholders for the purpose of--there's another legal term--but they are in effect the voting members of the board of directors, and they have control over the corporate structure and the bank accounts.

Q How was Mr. Gomez chosen to be one of the principal shareholders?

A You have to have two, and I trusted Frank, implicitly.

Q You chose Mr. Gomez?

A That's right.

MR. KAPLAN: I'll ask the reporter to mark as Exhibit 8 a typewritten page of information relating to how to open accounts and how to incorporate a company in the Cayman Islands.

[The document referred to was marked for identification as Miller Deposition Exhibit No. 8.]

BY MR. KAPLAN:

Q Now Mr. Miller, this document, Exhibit 8, was one of the documents that were produced to us by your counsel, pursuant to a subpoena issued by the Committee, and I'm going to ask you, do you recognize this document?

A Yes.

Q And what do you recognize it as?

A It's the elements of a telephone conversation that Frank Gomez had with somebody at the Barclays Bank.

Q Okay. Did you instruct Mr. Gomez to call the Barclays Bank to obtain this information?

A I don't recall whether I instructed him, or he took it on his own to do, but I had selected the Barclays Bank after the conversations with other people.

Q Do you recall which people you had conversations with in deciding to choose the Barclays Bank?

A Well, I remember the conversation with the individual that led me to choose the Barclays Bank. Other people had recommended other locations, but I'd a conversation with Rodney Cunningham who was, at the time, the publisher of the Rome Daily American, and the owner of two TV and radio stations in Rome. And so he did a lot of banking overseas, and he had recommended Barclays Bank because it was an English bank, and that was the reason it was chosen.

Q Why did you seek Mr. Cunningham's advice?

A Because I was aware of the fact that he did banking outside the United States. I didn't know that many people who did, and he was a good source of information.

Q How did you know Mr. Cunningham?

A I knew Mr. Cunningham from the campaign.

Q What was his position in the campaign?

A He was chairman of Citizens Abroad for Reagan, and communications director of Republicans Abroad.

Q I think you've referred to him before as a political friend of yours?

A Yes.

Q Did you seek any legal advice in setting up, or establishing the corporation in the Cayman Islands?

A Well, the principal vehicle for setting up the corporation was a law firm.

Q You testified earlier that one of the reasons why

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you chose the Cayman Islands, or decided to set up an offshore account was so that the money, the $14 million, wouldn't come into the United States and be taxed at half. How did you know that the tax laws would apply to money coming into the United States under this arrangement?

A I would say it's probably, at best, practiced--amateur legal advice. I mean, I made the assumption that the Internal Revenue Service would move, immediately, to attach some portion of that money. I may have been incorrect, but I made that assumption.

I also, for just logical reasons, don't see any reason to bring Saudi money into the United States in order to transport it to somebody [redacted] It doesn't make any sense.

Q Was it your understanding that if the money was transferred from Saudi Arabia to the Cayman Islands, and then to the contras, that the money would avoid taxation? I'll leave it at that.

MR. DUDLEY: I have a problem with the word "avoid" in the question, Mr. Kaplan, because it seems to me that--if you'll amend the question to say "would not be subject to taxation."

MR. KAPLAN: Sure. I'll take that amendment.

THE WITNESS: That's precisely the reason for doing it in the Cayman Islands.

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BY MR. KAPLAN:

Q And how did you arrive at that understanding?

A I'm not sure I understand.

Q Did you consult a lawyer to reach that conclusion?

A After I went to the Cayman Islands, I consulted with an attorney in Washington who told me that if it was set up the way the Cayman people were saying it was, that it wouldn't be my responsibility to report it on a tax form.

Q Okay. Do you recall who the lawyer was that you spoke to?

A His name is Richard Snowden. Dean Snowden, on New Hampshire Avenue. It was free legal advice, and he did it as a friend, and I'm sure he probably rues the day he did it.

Q Okay. I appreciate that. What was the function of IC, Inc. before September 1985? Did it do anything?

A No.

Q Were bank accounts established in the name of IC, Inc.?

A There was bank accounts established. I'm sure there was one by that time. I don't know whether--I'm sure there was only one at that time.

Q And were the accounts established at the Barclays Bank?

A Yes.

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Q Okay. So that the information that's contained in Exhibit 8 is information that was followed?

A Yes.

Q Okay.

A It was recommended by the bank, and that's exactly what transpired.

Q Did there come a time when you changed the name, and the charter of IC, Inc.?

A Yes.

Q Do you recall when that was?

A Well, it was 1986, but I don't recall the exact date. I believe it was around April.

Q What was the purpose in the name change?

A Well, IC, Inc. had only been chosen out of less than inspirational thought at my conference table when this this supposed Saudi prince was sitting there, and was asking for the name of an organization. One had not been formed yet, and I simply expected that there would not be an IC, Inc., and if there were an IC, Inc., that we'd be able to use a combination of names, sufficient enough to allow us to use an "a/k/a IC, Inc.."

So the corporation charter request was for IC, Inc., and it turns out there was no IC, Inc., so that was successful. But as we began to do more work for Colonel North in distributing contributions from other sources, I

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felt that the organization's name and its charter should reflect what it was doing more accurately, and so I changed both of them.

Q Okay. And when you say that you wanted to change the name and the charter to reflect more accurate what IC, Inc. was doing, how did you think that a name change was going to reflect more accurately what IC, Inc. was doing?

A Well, both--the name, just IC, Inc., would have no significance to anybody, and the charter was the general Cayman Islands' charter, which is nothing but a litany of all business practices known to man, and it's a business charter.

And so what I did was, I changed the charter, amended the charter, which seemed to be unusual for Cayhaven's practices and for Cayman practices, to talk about it in terms of distributing to political and benevolent organizations, proceeds from like organizations.

And I chose the name "International Cooperation" because it is, I thought a little closer to what type of work it was doing, and the only problem is that with the structure the way it is in the Cayman Islands with these nominal directors, they can make decisions, and there was an International Corporation that the Cayman Island people thought that that "International Cooperation" was too close.

And so our nominal directors arbitrarily decided that Intel was close enough. And so Intel Cooperation became

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the name because Intel is a European convention for "international." It doesn't mean that here, but it is an international convention.

Q Did IC, Inc. stand for anything? The initials, I.C.?

A No.

Q Was there any purpose as to how they were chosen?

A No.

Q Did you choose the name International Cooperation?

A Yes.

Q Did you consult with anyone in choosing that name?

A I think I informed Colonel North that I was doing it.

Q Well, what did Colonel North say when you informed him that you were changing the name of IC, Inc.?

A Well, I don't recall exactly what he said then, but I recall what he said when he saw Intel Cooperation.

Q What was that?

A He said, "What the hell did you call it that for? It sounds like intelligence." And I said well--and then I recounted to him exactly the story that I'm recounting to you.

Q Did North show some concern that the new name might reflect "intelligence?"

A Well, I think I just recounted the entire exchange to you, so--

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Q Okay. Was North aware of the charter amendment before it was made?

A I don't recall whether I told him about it before I made it.

Q Did he become aware of the charter amendment at some point after it was made?

A I don't know whether I told him. I don't remember telling him. It's possible I told him and have forgotten, but I don't remember whether I told him about the charter change.

Q Was it your understanding at the time that the charter was changed, that disbursements being made from IC, Inc. were all being made to--and I'll use your words--political and benevolent organizations?

A Yes.

Q And you didn't have any other understanding to the contrary?

A I would only say that I had some impression that Lake Resources was an entity for their behalf, but never any understanding of who they were, or what precisely it was they were.

Q An entity for whose behalf?

A For the resistance, for the Nicaraguan resistance.

Q And did you know what the funds at that time--what funds that were going to Calero were being used for?

A Well, for Calero, general support, humanitarian--food, medicine, salaries, that type of activity.

Q And that was your understanding at the time?

A Yes.

Q And did you believe that Lake Resources was a political or benevolent organization in April 1986?

A Well, again, I thought it was some entity that was used for the benefit of the resistance, so when I use the word "political", I mean, were political. The Federal Government is political. It's a political entity. It's an organization. The resistance is an organization. It has many different elements to it.

Q Was the name change, or charter amendment of IC, Inc. in any way intended to provide more secrecy to the funneling of funds that was going on?

A No. Actually, I think it was the direct opposite. My purpose, again, was to amend the charter to more accurately reflect the business that the entity was doing, that IC, Inc. was doing. It didn't change, one way or the other, the secrecy associated with that. In fact, ultimately, what I wanted to have happen was to have funds go directly to Intel, rather than coming through IBC.

Q But you had understood that the formation of IC, Inc., and the existence of this contra-funding network was part of a covert operation, had you not?

A Well, I want to answer your question in two parts. We formed IC, Inc. to handle a specific transaction which did not happen, but it was formed specifically to handle that transaction. In a subsequent period of time, when we started to raise money from private sources, it became the appropriate vehicle, again, to transfer money to these political entities.

Q You testified at one of the earlier sessions of your deposition, that some time in 1985, in I believe Colonel North's office, he sat down with you and Robert Earl, drew out a little chart which has probably since become famous, and in drawing out that chart with little boxes, and filling in NEPL and IBC, and IC, Inc., and whatnot, he said something to you to the effect of, "This is the way a real covert operation should work."

THE WITNESS: Wait a minute. You have 200 percent overstated.

MR. DUDLEY: You're really inaccurate there.

THE WITNESS: Let me tell you exactly what happened.

MR. KAPLAN: Well, why don't we get it accurate, and while you're telling me what's accurate, I'm going to pull out the earlier testimony.

THE WITNESS: Okay. I went to see Colonel North and had a conversation with him--I believe it was about [redacted]-but there was some word in the diplomatic community that there was going to be some kind of a public-relations effort for one of the other resistance movements, and I think it was [redacted]

And I went to him to talk about it, to find out who I'd get in touch with because we wanted some IBC work in the area. And--

MR. LEON: : Do you have a time-frame for this, Rich?

THE WITNESS: All I remember is it was his old office. That's the only thing I can recall. It was his old office. So it was some time before he moved into his new office. And I told him what I wanted to do and he said, "Okay. Let me show you how a covert operation is set up."

And he called Bob Earl into the room and told him to bring some piece of paper. And when it came in, it was on a yellow pad like a lined legal pad, but it didn't have all the boxes that the one in the Tower Commission report has.

It wasn't quite that complicated. And he said, "Let me show you how a covert operation is set up." I'm not sure whether Earl was still in the room at that point, but I was on the couch, and he set it down on the coffee table.

He no sooner got those words out of his mouth than his secure telephone went off. He had to take a phone call on the secure line, it proceeded for a few minutes, and then he said "You'll have to leave," and I left, and I have never had the chart fully explained to me.

But I remember seeing ACT, and I remember seeing

NEPL, and I remember seeing IC, Inc. I don't think I ever noticed INSI. I think I probably would have remembered that.

But I remember it was not as complicated as the one I've seen in the Tower Commission report.

BY MR. KAPLAN:

Q And when you say the one you've seen in the Tower Commission report, just for the record, that chart was marked as Exhibit 7 at your deposition session on July 3rd.

Was IBC on the chart that Colonel North drew out?

A I believe IBC was on the chart, to tell you the truth.

Q All right. And in terms of setting a date as to when that chart was drawn, does it refresh your recollection as to timing, that IC, Inc. appeared on that chart?

A Well, it's a good point. I would assume that it was some time after April 1985.

Q Okay.

MR. DUDLEY: I have a problem with the way that you're using the phrase "drawn out." I mean, I think the problem Rich is having with it is, I don't want the implication to be made that the chart was drawn in his presence, or that he had anything to do with the drawing of the chart, and by answering questions, that you used the phrase "drawn out." I don't think you're intending to make that conclusion, right?

THE WITNESS: No. I was shown the piece of paper that already had drawing on it, and, ultimately, left without having it fully explained to me.

BY MR. KAPLAN:

Q Nonetheless, was it your understanding that the NEPL, IBC, IC, Inc. conduit relationship was a secret relationship, or a part of some kind of a secret operation?

A Well, I don't agree with your characterization of "secret", but let me tell you why.

Q Why don't you explain.

A And I think I understand what your question is, now. Two of the things that we--the first and foremost thing, in terms of NEPL, and the resistance, was that we wanted some insulation between the two of them. We didn't want to have the resistance bugging Spitz Channell for money, and we didn't want Spitz Channell conversant with the way the money was ultimately distributed.

And when I say "we", I say myself and Colonel North as well. And that was just good practice not to have that happen. Spitz had participated once before in an event that benefited the Nicaraguan exile community, and had subsequently been--had unsolicited requests for money.

Secondly, we were both aware that there was a great deal of interest in our activities by the Nicaraguans and the Cubans, and we took precautions all the time, not to be in open-telephone conversations, not to have organizations be readily available for public view. So that was quite certainly part of why we set things up the way we set them up.

Q Weren't you also concerned about exposure of your activities in the American press?

A Of course.

Q And weren't you concerned about the exposure of your activities to the Congress?

A No.

Q Not at all?

A I wasn't. I should say that.

Q To your knowledge, was Colonel North concerned about the exposure of his involvement with your activities to the Congress?

A I wouldn't want to characterize what he was feeling at the time. The point I'd make to you is that every transaction we undertook was done either through bank draft by a member of the Federal Deposit System, the Federal Reserve System. It was done by Federal wires. [redacted] So, from the proper authorities, we never--I never thought I was hiding anything.

Q The name change in 1986, were you concerned, or was there any concern expressed by anybody, that by changing the name and amending the charter in 1986, that would give rise to more exposure to the activities of IC, Inc.?

A No.

Q Okay. But your testimony here today is that the charter was not amended and the name was not changed for the purpose of providing either in whole, or in part, greater secrecy to the operation?

A I don't think it increased it or decreased it, either way.

Q I'm asking for what the purpose was, either in whole or in part.

A Well, ultimately, what we--

MR. DUDLEY: Is your question still limited? Was the purpose in whole or in part to provide additional secrecy? Is that what you're asking?

MR. KAPLAN: That's correct.

MR. DUDLEY: Okay. Why don't you answer that question.

THE WITNESS: I don't recall it being one of the purposes for why. I recall, most certainly, the primary purpose, which was to have it reflect more clearly what the organization was doing.

MR. KAPLAN: All right. I understand that.

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BY MR. KAPLAN:

Q Was one of the purposes either, in your mind, or to your knowledge, in someone else's mind, to provide greater secrecy to the operation?

A Sitting here now, I don't recall greater secrecy being one of the reasons why I changed the charter. If I might answer your question even more directly, the charter change was more explicit about the type of function of the organization than was the original charter. So, actually, I think it has the opposite effect.

I think the charter change had the opposite effect.

Q It's your testimony here today, then, that that charter change, that is, describing the IC, Inc. activities as involving grants to political and benevolent organizations, even given the knowledge that you now know, and that you now have, was more accurate in April or May of 1986 to describe the functions of that organization?

A Sure. More accurate than the previous charter. Absolutely.

Q And given what you know today, is it your testimony that a charter change to describe IC, Inc.'s activities as being (1) to provide grants to political and benevolent organizations, was more accurate in light of the funding that was being made to Lake Resources, and Calero's accounts?

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A Yes.

MR. DUDLEY: I'm going to object to the form and tone of these questions, and point out to you that one of the problems with it is "more accurate than what?" The prior charter contained no reference to those activities, so any reference would technically be more accurate.

Are you suggesting there is an inaccuracy, and if you want to suggest that, why don't you ask him, directly?

MR. KAPLAN: Well, I'd like an answer to my previous question.

[The pending question was read by the reporter.]

MR. DUDLEY: I don't think the question is answerable in that form. More accurate than what?

MR. KAPLAN: More accurate than the previous charter.

THE WITNESS: Yes, I think it was more accurate than the previous charter.

BY MR. KAPLAN:

Q In light of what you know today, is it your testimony that the charter amendment is an accurate description of the activities that were being conducted through IC, Inc. at that time?

A Yes. You've also used my memory of the charter change as the sole parameters of the charter change. If you have it here, I suggest you look at it, and it's slightly

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broader than that.

Q Your memory of the charter change is fine with me. It's what you testified to under oath here today. So your testimony is, as you sit here today--your understanding is that it is accurate to say that the activities of IC, Inc. were to provide funding to political and benevolent organizations?

MR. DUDLEY: Again, Mr. Kaplan, I don't know how many times you want to ask the question. You're obviously not getting the answer you want.

I don't know how many times he's got to sit here and answer it, but--

MR. KAPLAN: I haven't gotten an answer to that question, counsel, and I'm going to pursue it until I get an answer to that question.

MR. DUDLEY: I'm going to finish my statement on the record.

MR. KAPLAN: I've rephrased the question as you've requested that I rephrase it. Now that it's been rephrased, I'd like an answer to it. That's not difficult.

MR. DUDLEY: I would like to point out that the one item that you have landed on is only one of several purposes listed in the charter, and if your question is--as it can only be--was that one of the activities that was being carried out, because it is one of the activities that is

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described, then I'll be happy to have him answer.

MR. KAPLAN: That wasn't my question. Again, I rephrased the question as you requested.

MR. DUDLEY: No, you didn't. Not that question.

MR. KAPLAN: Which is, is his testimony today that the charter amendment is an accurate reflection of the activities that IC, Inc. was conducting at the time, in light of his knowledge today. It's not a hard question.

MR. DUDLEY: That was not--

MR. KAPLAN: It's not a difficult question to understand, and I would like an answer to it, please, Mr. Miller.

THE WITNESS: What was the question, again?

MR. DUDLEY: I want to get it straight because it is a confusing and loaded question.

MR. KAPLAN: In light of your knowledge today, is it your testimony that the activities that were being conducted by IC, Inc. were accurately reflected by that charter amendment that was made back in April or May of 1986?

THE WITNESS: Yes.

BY MR. KAPLAN:

Q And was funding, in light of the knowledge that you have today, to Lake Resources, and to Calero, considered by you to be funding to political or benevolent organizations?

A Yes.

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Q And do you have any understanding today, as to whether Lake Resources, or Mr. Calero, or persons administering the money coming from those accounts, used those funds for anything other than political and benevolent purposes?

A You've misread the charter change. It says it is to give money to political and benevolent organizations.

Q And is it your understanding that Lake Resources is a political or benevolent organization?

A Well, my understanding today is--

Q That's what I'm asking for.

A --predicated on the hearings, and I'm quite aware that Mr. Hakim and Mr. Secord operated an organization for the benefit of the Nicaraguan resistance, and I accept their characterization.

Q And I mean, are you testifying that it's your understanding, in light of the knowledge that you have today, that Lake Resources is a political or benevolent organization?

MR. DUDLEY: That's not what he said.

THE WITNESS: I'll repeat exactly what I said, and that is, it is my understanding, based on the testimony which I was able to watch, that Mr. Hakim and Mr. Secord, and their associates, operated an organization for the benefit of the Nicaraguan resistance.

BY MR. KAPLAN:

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Q And I'm asking you, and I've asked it eight times, and I have yet to get an answer--okay--

MR. DUDLEY: Why don't you tell him what you mean by a "political and benevolent organization."

MR. KAPLAN: It is Mr. Miller's charter amendment to which he testified earlier, and I assume he has an understanding of it. Now if he's going to answer the question in the affirmative, then I'm going to ask him what he means by "political or benevolent organization."

MR. DUDLEY: Well, I consider--

MR. KAPLAN: Do you understand Lake Resources to be a political or benevolent organization?

THE WITNESS: Now, no.

BY MR. KAPLAN:

Q Okay. And do you understand that the activities, then, that IC, Inc. was conducting, in funding Lake Resources--and I'm limiting it to that--was an activity of providing grants to a political or benevolent organization?

A No.

Q Okay. That was easy. I think we could have done that about 15 minutes ago.

MR. DUDLEY: I don't think we need gratuitous comments. Why don't you ask questions, Mr. Kaplan.

MR. KAPLAN: Thank you, counsel.

BY MR. KAPLAN:

Q Is it your testimony here today, that one of the

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purposes of the name change, or a charter amendment to IC, Inc., was not in whole, or in part, by you, or to your knowledge, by anyone else, an effort to better cover the activities of IC, Inc.?

MR. DUDLEY: That's about the twelfth time it's been asked. Answer it once again, and this is the last time he's going to answer it.

THE WITNESS: I don't recall that being one of the purposes for changing the name.

MR. KAPLAN: Okay. Thank you.

I ask the reporter to mark as Exhibit 9 a handwritten document, that also was produced by your counsel in response to the Committee's subpoenas, and ask you if you can identify that document.

[The document referred to was marked for identification as Miller Deposition Exhibit No. 9.]

THE WITNESS: Yes. It was a draft for a Telex to go to David Piesing who was the administrator for our account at Cayhaven Corporate Services in the Grand Cayman Islands.

MR. KAPLAN: Okay.

BY MR. KAPLAN:

Q Is that your handwriting?

A Yes.

Q Did you prepare this draft yourself?

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A Yes.

Q Was it reviewed by anyone, do you recall?

A No.

Q And I take it that this draft confirms that you intended to rename the corporation International Cooperation, Inc., if you'll look on page two of the draft, toward the middle of the page?

A Yes.

Q Okay. Was Mr. Gomez consulted?

A I'm sure I informed him of this.

Q Would he have had any input into the draft?

A I don't think so.

Q Do you recall whether Colonel North was consulted before the draft was put into Telex form?

A No.

Q And would he have had any input into the preparation of the draft?

A No. This never happened, by the way.

MR. DUDLEY: By that you mean the draft wasn't sent?

THE WITNESS: No, the draft was sent but the actions described here did not happen.

MR. KAPLAN: Okay.

BY MR. KAPLAN:

Q I think it would be useful to clarify the record, if you could explain a little further what you mean when you

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say that what's described in that draft, that is, Exhibit 9, never happened.

A The counsel on the other end of this Telex, the Walker & Company--I'm sorry, this did happen. This is a subsequent Telex to our initial--there's another Telex which asks that we change the corporate structure of IC, Inc. significantly, and place on it, in it, corporate officers, and they refused to do that, and this was a compromise to their position.

So that what happened was, we ended up with IC, Inc. and a charter change, and we ended up also with World Affairs Council.

Q Do you recall when you informed Colonel North of that name change of Intel Cooperation, Inc.?

A I'm pretty certain it was after the fact.

Q And I take it, then, that would be the same with respect to the charter amendment?

A I believe, also, that was after the fact.

Q Do you recall telling Colonel North about the charter amendment, or the substance of the charter amendment?

A I don't have a specific recollection of a conversation. I do remember the exchange I told you about earlier, about the name change, but I don't recall having--I don't have any specific recollection of a conversation about the charter change.

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Q Okay. Let's move off this. When did you meet Colonel North, initially?

A Well, actually, your previous depositions refresh my memory. Some time in 1984, and I've seen a September date in his appointment book, so some time in the fall, I would guess.

Q Do you recall the context in which you first met Colonel North?

A No, but I have a very faint recollection that it had more to do with [redacted] than anything else.

Q And why do you believe it had to do with [redacted] [redacted]

A It was at a period of time when our work for the State Department was centered primarily on [redacted] and the problems that [redacted] was facing.

Q Do you recall who referred you to Colonel North, or who introduced you to him?

A I don't have a specific recollection.

Q Do you have any recollection?

A I have an assumption, and the assumption would be that it would have been Jonathan Miller or Ambassador Reich, one of the people at the State Department.

Q Why do you assume that it would have been either Jonathan Miller or Reich? On what do you base that assumption? I'm not trying to--

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A they would have been the only people of enough stature to have had contact with him, that would have drawn us into contact with him.

Q Do you recall any of the substance of that first, or those initial meetings about [redacted]

A No; no. In fact the only two things I can recall are a luncheon in our offices with Ambassador Reich, Jonathan Miller, Oliver North, Frank Gomez and myself, and instances where we went to Colonel North's office to assist with the Washington visit of the Nicaraguan resistance leaders. Those are the only two that I have clear recollections from that period of time.

Q Do you recall your first dealings with Colonel North that related to Nicaraguan, specifically?

A I don't specifically recall, no. I wouldn't know which one to say was the first. I mean, I don't have a specific recollection.

Q When would your first Nicaraguan-related contacts with Colonel North have occurred? Approximately.

A Probably the winter of 1984-85.

Q And you testified earlier, I believe, that you had done some work in coordinating or setting up a Nicaraguan Refugee Fund dinner. Did you have dealings with Colonel North in connection with your work setting up that dinner?

A We did not have a role setting up the dinner. We were observers at the dinner, on behalf of Adolfo Calero and the Nicaraguan Development Council.

Q Did your role as observers start prior to the dinner? I realize the dinner was postponed a couple of times.

A Yes. In fact I attended a meeting--I believe it was in January--at the offices of Miner & Fraser, which was supposed to be an organization meeting of all the different groups participating, and one of the people there was Spitz Channell.

And we reported our impression to the State Department and to Colonel North.

Q Any other dealings with North in connection with that dinner?

A I don't right this minute recall any others. I mean, I saw him at the dinner. He was aware of the general arrangements, but I don't have anything specific in memory about it.

Q Do you recall any other dealings with Channell in connection with your observation role for that dinner?

A No. I approached him at the meeting and introduced myself and gave him my card, and he sort of took it very lightly, and I got the feeling, when I left the room, I'd never hear from him again.

Q Well, was North commonly referred to around IBC by a code name?

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A Not--well, yes.

Q And what was that name?

A When we had telephone conversations, or when we were committing something to writing, we simply wrote the word "Green."

Q When was the name coined?

A Some time in the summer, late summer or fall of 1985.

Q And do you recall who coined it?

A Actually, Frank Gomez coined it.

Q And why was the name Green used to refer to North?

A It was originally Frank's concern for holding open telephone conversations, which the Channell people were--as most civilians are--were wont to do, and rather than using North's name over an open telephone line, Frank suggested that they use the name "Mr. Green Jeans" and that referred to his fatigues, and they shortened it to Green, and it became a convention to use Green.

Q Have you ever seen North in fatigues?

A No.

Q Had Gomez ever seen North in fatigues?

A No.

Q Did he have any reason why he would choose a name that referred to North's fatigues?

A Well, he's a 20-year Foreign Service officer, and

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he tells me that that's done, and that when you choose a name such as that, you do it for something that will commit it to memory, something that's akin to the individual.

Q You said just a moment ago that Channell and his associates would use North's name over phone lines as civilians were wont to do, and I take it you considered yourself and your IBC associates as civilians as well?

A Sure.

[redacted]

A I've had four security clearances, and in one instance a "Q" clearance which I don't think they use anymore [redacted]

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[redacted]

Q The security clearances that you've had previously, were they in connection with positions you held within Government?

A That's correct.

Q And those were the positions at the State Department and AID that you testified about previously?

A And at the General Services Administration.

Q Have you ever held a security clearance outside of the Government?

A We had a security clearance as a contractor on our last State Department contract.

Q And do you recall at what level that clearance was?

A I believe it was Secret.

Q Who asked that that clearance be provided?

A The State Department.

Q And any particular individual at the State Department?

A Well, I always was under the impression, prior to reading the report from the State Department, that Jonathan Miller was the individual that asked for it.

Q Has that clearance now expired?

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A For all intents and purposes, yes.

Q And has the contract pursuant to which you were cleared expired?

A Yes.

Q And when did that expiration occur?

A September 30 of 1986.

Q When did you meet--

A May I add something?

Q Sure.

A Frank Gomez was in the Foreign Service for 20 years, and has had his assistant blown up in the room right next to him. So that anybody that serves in foreign posts like that has a great sensitivity to the problem of open telephone lines, and anybody that's conversant with Washington knows that open telephone lines here are monitored by the Soviet complex in Cuba. There's no mystery about that.

So I'm sure when each of you took your oath and got your security clearances, you were briefed by security officers about that kind of activity. So, if we're dealing in sensitive matters, it's only intelligent for us to do it in a way that secured us enough, that it makes it difficult for the Soviets to keep track of it.

And I suspect they'd be interested in any kind of assistance to the Nicaraguan resistance, political or otherwise.

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Q At IBC, do you and Frank Gomez maintain separate offices?

A Yes.

Q Is that because of your knowledge of the history of what's happened to some of his assistants in the past?

MR. DUDLEY: Let the record show that everybody laughed.

MR. KAPLAN: Let the record show that I very much appreciate the laughter.

MR. LEON: I thought that was a strategic question, John.

BY MR. KAPLAN:

Q Did North ever tell you anything about [redacted]

A Yes, and can we go off the record for a minute.

MR. KAPLAN: Sure.

[Discussion off the record.]

MR. KAPLAN: Back on the record.

MR. KAPLAN: In an off-the-record discussion which just occurred among counsel and Mr. Miller, in the absence of the reporter who is not cleared, we all arrived at a consensus conclusion, that certain information that Mr. Miller may have to convey to the Committees might well be of a classified nature.

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If the Committees decide to pursue the line of questioning, which would give rise to testimony relating to that information, we will do it at a later date and appropriate time, mutually agreed upon, in which the Committees will have secured a cleared reporter for the taking of that deposition, or that testimony, and that testimony will be handled pursuant to the normal security procedures of classified information that's been employed by the Committees since their inception.

Does anyone have anything to add or subtract from that statement?

[No response.]

MR. KAPLAN: All right.

BY MR. KAPLAN:

Q When did you first meet John Roberts?

A In the month of August 1980.

Q And do you recall the context in which you met him?

A Yeah. John was in charge of the editorial responses for the Reagan-Bush campaign, and I was in charge of the radio news service.

Q What was the substance of your relationship at that time?

A Friends and co-workers.

Q Okay. And did you continue as friends with John Roberts subsequent to the campaign?

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A Yes.

Q How would you describe the friendship?

A We were very good friends. We had very similar political beliefs, and enjoyed a good friendship.

Q Did you have further professional dealings with Mr. Roberts after the campaign? That is, the 1980 campaign.

Q I had some contact with him when he was in the political office. At the time I was in AID, and subsequent to my leaving AID, I kept in contact with the political office, and he was stationed in the political office.

Q What do you mean, when you refer to the "political office?"

A There is an office of the Assistant to the President for Political Affairs in the Office of the President.

Q Okay. So his office was in the White House?

A That's correct.

Q Do you recall what Mr. Roberts' position was in early 1985?

A At some point in mid-1985 he had the title of Deputy, I believe. If not, he was an assistant to the director.

Q All right. And again, to clarify the record, assistant to the director of what?

A Well, director of the Political Office, who also carries the title of Assistant to the President for Political

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affairs.

Q Okay. When did you first meet Spitz Channell?

A I met Spitz at that meeting I recalled in January, and then the next time I met Spitz Channell was in April of 1985. And I got a call from John Roberts who told me that he had had two fellows come see him who wanted to help the President on the Nicaraguan aid vote, and would I like to see them and I said sure, I considered it a professional referral. And I met with Mr. Channell and Mr. Conrad, along with Frank Gomez, who provided them stacks of information which they used to produce some series of television commercials.

And shortly thereafter, they retained IBC for consulting.

Q When was it that you received the call from Roberts alerting you to the fact that Channell and Conrad would be calling on you?

A I don't recall the date, specifically, but it was in April of '85.

Q And did you meet with Conrad and Channell some time shortly thereafter?

A I think it was this same day or--

Q That same day?

A Or within a very short period of time. If it wasn't the same day, it was the next day.

Q So they probably called you the same day that

Roberts called you to alert you to the phone call--

A Actually, I think they were still with Roberts when Roberts called.

Q Okay. The Committees have been told that Roberts referred to IBC as something like the "White House outside of the White House," or a front for the White House on Nicaragua.

A They're two very different things. I mean--

Q Were a front for the State Department on Nicaragua. Can you respond to those characterizations?

A I don't think I want to. I mean, I never made them. I don't accept the characterization.

Q Are you aware of any reasons why Roberts would have characterized IBC, if in fact he did, as the "White House outside of the White House" with respect to Nicaragua?

A I have no idea why he'd do that.

Q Okay. And the same question with respect to the phrase a "front for the White House with respect to Nicaragua?"

A Well, I think it's an affront of a characterization. I don't agree with it.

Q But are you aware of any reasons why Roberts would have characterized IBC that way?

A No. The only thing I would say is, I think we were generally recognized in Washington at the time as experts on Central American policy for the Administration, and this town

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is a very small town. People generally knew that we were working with the Nicaraguan resistance also. So I don't think that there's anything mysterious about that. I would think somebody who was politically active, Democrat or Republican, would have known of our interest and our expertise in the area. We had been working with the Gulf and Caribbean Foundation. We had been working with State Department.

We had been working with the resistance.

Q And that might explain, also, the phrase "front for the State Department", or, "as good as the State Department" with respect to Nicaragua.

A In the hope of not going around in an exchange again, I really don't want to characterize it--you know--it's his phrase. If he said it, I don't consider ourselves a front for anybody.

Q Okay. What was your initial business relationship with Channell and Conrad?

A Our initial business relationship started in May, and Mr. Channell, Mr. Conrad, Frank Gomez and myself, had a dinner at which we were offered a retainer of $15,000 a month which we accepted, and our relationship was initially with the American Conservative Trust.

Q What was the nature of the work that you were going to perform for the American Conservative Trust?

A As I recall, initially, our responsibility was to

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educate Mr. Channell and his employees on the finer details of U.S. foreign policy in Central American, and the activities of the Nicaraguan government, and other democratic governments in Nicaragua--or in Central America, rather. And to provide informational materials to them which could be turned into public-education efforts on their part.

Q And did you understand what the purpose of this education process was to be, in so far as American Conservative Trust was concerned?

A Yes. They intended to produce campaign materials to influence Congress, and American public opinion on the issue of Nicaragua, in support of the President's position.

Q When you say "campaign materials", are you referring to political campaign materials?

A Yes. ACT was a federal PAC.

Q And you said the fees were $15,000 a month. How long did this fee arrangement hold?

A Not very long. Inside of probably--well, let me see. By September, we were involved in other projects, particularly those for the National Endowment for the Preservation of Liberty, which were huge undertakings, and our fees rose in proportion to those undertakings.

Q When did the National Endowment for the Preservation of Liberty, which we can refer to by the acronym NEPL, become the principal Channell entity with which IBC dealt?

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A I'd say in July of 1985.

Q Of 1985?

A Yes.

Q Was there a written agreement between IBC and the American Conservative Trust evidencing this fee arrangement?

A The initial fee arrangement, no. Subsequently, we had budgets for proposed programs, and I think it was August, I attempted to put it down on paper as for the understandings between Channell and I, but I'm not sure it was captured there, either. It was a very fluid arrangement.

Q How are the fees determined?

A They were budgeted by me, depending on the work I thought was required at IBC to accomplish what Channell was asking be accomplished.

Q We're now talking about the fees beyond the $15,000 initial retainer?

A Even the $15,000.

Q Okay. In doing your budgeting, was there a time basis for your fee allocation?

A You mean time and billing?

Q Yes.

A No.

Q Okay.

A We only one time, we gave to Dan Conrad a time-and-billing analysis for a single month, which indicated

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their fees would have been $72,000 based on our hourly fees.

Q What were your hourly fees at that time?

A Partners were--I don't know. I think the chart I gave them was $125 an hour for partners, senior staff was 75, and I think junior staff was forty. You can see how many hours you're talking about at that kind of level. I mean, it doesn't take a lot of mathematics to see it was a ridiculous workload.

Q Is it fair to say that the basis for your fees, then, was on a transactional basis? Work done?

A Precisely, and I would budget it, I would tell Channell what I thought it would cost to do it, and then we would perform it for that cost.

Q Did you provide regular invoices to American Conservative Trust or to NEPL?

A Not until 1986 did we really start that as a practice, and that was at Dan Conrad's requirement.

Q All right. At the time--

A There were some. I think there was one in '85, but most of them were in 1986.

Q Did NEPL usually pay for work performed, or did they pay in advance for certain projects?

A They had to pay in advance for certain projects because they were so large that we couldn't afford to--the outlays to start them, without money from NEPL.

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Q In addition to the fees, did NEPL also reimburse expenses, or did the fees include an allocation for expenses?

A In the program area, it required them to pay expenses. For the general retainer, it did not require expenses. But for program items, we did require expenses.

Q At the time that you first met Channell, did he know North?

A No. I should amend that. I think there was some kind of a briefing that was associated with the Nicaraguan Refugee Dinner, that I think maybe North gave the briefing. You know, his slide show to that group. But I'm not positive about that.

Q How did Channell eventually meet North, if--I mean, beyond that group briefing?

A At a briefing that I set up.

Q And you're referring, now, to the June 27 briefing?

A I believe that was the first one, yes.

MR. KAPLAN: This is a good time for a break.

[Brief recess.]

BY MR. KAPLAN:

Q Mr. Miller, you testified earlier about a dinner in early April of 1985 attended by yourself, Mr. Gomez, Mr. Channell, Mr. Conrad, and Mr. John Ramsey from Wichita Falls, Texas. Do you recall who arranged that dinner?

A Mr. Channell.

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Q Did Channell tell you anything about Mr. Ramsey prior to the dinner?

A That he was one of his big contributors, that--the other thing I remember specifically is that John doesn't believe in refugees. He feels that everybody should stand and fight for their own country. So those are the two things I remember as him saying.

Q Did Channell tell you anything more about Mr. Ramsey in terms of his personality or demeanor?

A Just that he was a patriotic individual.

Q Did he describe Ramsey to you as a tough cookie or something to that effect?

A I don't remember that specifically, but it was clear that he was--with the refugee business, it was clear that he was a pretty tough cookie.

Q Did you know that the discussion of--that took place after dinner was taped?

A I may have known it at the time. I had forgotten entirely about it until I was shown a transcript of it in May. But after I was shown a transcript, I recalled that we had seen a transcript of it and sent it to Mr. Conrad and told him we didn't think it was proper for it to exist or for it to have been done. So I get from that some sense that maybe we were surprised that it had been done.

Q So is it your testimony that at the time of the dinner itself you weren't aware that that conversation was being recorded?

A I honestly can't give you a definitive answer on whether I was aware at the time that it was being recorded. But I was subsequently aware that it had been recorded.

Q Do you recall the dinner?

A I recall it--I recalled it in general terms, and now after reading the transcript, I recall it specifically.

Q And do you recall whether there was a tape recorder on the table during the dinner?

A Again, I don't have a specific recollection of knowing at the time that it was being recorded.

Q You testified a moment ago that you had an opportunity to review the transcript at some point in time prior to having reviewed the transcript in connection with your testimony before these committees. Do you recall having reviewed the transcript in 1985 some time, for instance?

A Yes.

Q Can you describe briefly the circumstances of your having reviewed that transcript?

A I have a very small recollection, and that was that Frank first reviewed it for spelling and proper--Frank Gomez--reviewed it for spelling and proper use of names and so forth that had been transcribed by somebody who didn't know what a Sandinista was or so forth. And then as I recall, when it got to me, I raised a question about why it had--why it even existed and why it had been done. And then it was sent back to Dan Conrad. Or maybe we--no, it must have been sent back to Dan.

Q With whom did you raise a question about the propriety of the recording?

A Frank and I together--a conversation between the two of us.

Q Did you ever express your concerns about the recording to either Channell or Conrad?

A I'm sure we did.

Q Do you recall what their response was?

A An unschooled reaction to our concern--that they didn't see what the problem was.

Q Did you send the transcript back to Channell or Conrad with some marks on it?

A I don't recall doing that, but I subsequently saw transcript that had Frank's corrections on it--of names and spellings and so forth.

Q And that refreshed your recollection that you in fact probably did send back a transcript with some corrections--additions or deletions--on it.

A Right. Actually, I don't think there were any deletions. I think it was all corrections.

MR. KAPLAN: Okay. I'm going to ask the reporter to mark as Exhibit 10 a composite exhibit which is comprised of a letter that we received from your counsel, Nussbaum, Owen & Webster signed by Ron Precup dated June 16, 1987 which encloses the transcript of that conversation as--strike that--what it encloses is a list indicating to the best of the indicator's recollection who spoke which paragraphs indicated in the transcript of the conversation that occurred at that dinner.

[The document referred to was marked for identification as Miller Deposition Exhibit No. 10.]

MR. MILLER: I don't want to be argumentative, but what I did was at your request I took the transcript, and as best I could I tried to identify the person. I will express to you the same sense of tentativeness about that now that I did before. I did the best I could to make a determination of the speaker.

BY MR. KAPLAN:

Q That was going to be my first question. Is the list that was put together and attached to Mr. Precup's letter--is that all from your recollection?

A Yes.

Q Did you--or to your knowledge, without disclosing any privileged communications, anyone else--review the transcript in order to create this list?

A No.

Q If we can just run through the list that's attached to the letter. The top left-hand column of the first page says "page", and then underneath that the number 35311--does that refer to pagination that is on the attached transcript itself?

A Yes.

Q Is the pagination that it refers to listed on the bottom right-hand corner of that transcript itself?

A Yes.

Q And then the subsequent pages just relate to pages of the transcript--also the bottom right-hand corner numbers.

A Yes.

Q I ask that because there's also a date-stamp number in the top right-hand corner, and I wanted to make sure that the two didn't get confused.

A Okay.

Q Now, on the right-hand column--going back to the list provided by your counsel--it says "speaker" and then it has initials underneath in that column. Who does "RM" refer to?

A Myself.

Q Who does "JR" refer to?

A John Ramsey.

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Q Who does "FG" refer to?

A Frank Gomez.

Q Who does "CRC" refer to?

A Channell.

Q If you'll turn to page four of the list provided by your counsel, you'll see about five up from the bottom in that "speaker" column the initials "DC".

A That's Dan Conrad.

Q And then if you'll turn to page seven of that list provided by your counsel. In the same column--the "speaker" column--you'll see the initials "RRM". Who does that refer to?

A Me.

Q So I take it then you referred to both with the initials "RM" at the beginning of the list provided, and it looks as if it's uniformly "RRM" toward the end of the list.

A Correct.

Q Did there come a time in April of 1985 when you assisted Mr. Channell in obtaining a letter from Mr. Calero which authorized the Channell organizations to fundraise on behalf of FDN?

A Yes.

MR. KAPLAN: I would ask the reporter to mark as Exhibit 11 the document which purports to be a letter from Mr. Calero to Mr. Channell dated April 10, 1985.

[The document referred to was marked for identification as Miller Deposition Exhibit No. 11.]

BY MR. KAPLAN:

Q I ask you if you have seen that letter before.

A Yes.

Q Is this the letter? This letter was produced by your counsel in response to the committees' subpoenas. Is this the letter that you assisted Mr. Channell in obtaining from Mr. Calero?

A Yes.

Q Do recall what the nature of your assistance was in obtaining this letter?

A I spoke to Mr. Calero about it and asked him to provide a letter. Initially a copy of the letter was given to me by Mr. Matamoros, and it was not adequate. And so I asked for another letter, and Mr. Matamoros or Mr. Calero--I've forgotten which--asked me for some copy items which I'd like to have included in it, and I provided them to them. And the letter was reproduced and sent to me.

Q Do you recall what was inadequate in the first draft that was produced by Mr. Matamoros?

A The first draft was a very short contract for professional services as opposed to an appeal for help. And

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that was inappropriate for Mr. Channell's understanding or my understanding. And I think it even offered a percentage, if I recall correctly. And it was clear from the content of the letter that it had been misunderstood. So we asked for something a little more direct and more consistent with what Mr. Channell wanted to do.

Q Did Channell request you to seek this letter for him?

A Yes.

Q Was it your understanding that Channell wanted a letter like this to use in fundraising activities?

A Yes.

Q Was there any understanding, to your knowledge, as to the fees or compensation that Mr. Channell would derive from fundraising on behalf of the FDN?

A Yes. That's precisely the reason why the letter was redone. He was not looking for any compensation from the FDN for fundraising purposes. All he wanted was a letter asking him to help. And that's basically what this is. It's written a little more flowery than just please help. But that's exactly what he wanted--an appeal letter from Mr. Calero to him at his organization.

Q Was it your understanding at the time that Channell didn't intend to make any money off of fundraising for the contras?

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A That's correct.

Q What was understanding as to why Channell wanted to engage in fundraising for the contras?

A He was politically committed to supporting the president. He was politically and personally committed to seeking to help the democratic resistance in Nicaragua.

Q On what do you base that understanding? Or on what did you base that understanding at the time?

A On my conversations and the direction his program had taken.

Q Was it your understanding that Channell and his organizations would deduct expenses incurred from monies that were contributed for the contras?

A I can't tell you exactly when I became aware of that. Initially no, other than normal operating overhead. But some time in late '85--maybe late summer, early fall of 1985 he told me that they would be deducting--I believe it was 20 percent--from the donations for assistance.

Q Did you have a response to that?

A I think I informed Colonel North about it. And I may have even taken it upon myself to say that's fine initially. Because anything was greater than zero.

Q Did North approve of Channell taking this 20 percent, as you recall?

A I don't think I sought his approval. I just simply told him that Channell was retaining 20 percent within his organization of the contributions.

Q Are you clear about the 20 percent figure?

A Yes.

Q At least that's the figure you recall Channell having told you they were going to be taking from the contributions.

A Correct.

Q When did that conversation take place, as best as you can recall?

A The only mental trigger I have is a contribution by Barbara Newington, which I think was in the amount of $400,000. So whenever the first one of those was. I think it was December. But the initial Ramsey contribution went directly to the Nicaraguan Development Council. The second Ramsey contribution went directly to [redacted]

Q What was the motivation, if you know, for beginning to direct contributions into NEPL, as opposed to Channell soliciting contributions from individuals and having them directed directly to contra organizations?

A I have to answer it in different parts. From the perspective of Colonel North and myself, the first and foremost concern was an insulation between the donor and the recipient.

From Channell's perspective, the insulation was important because he didn't want to receive a deluge of unsolicited requests for funds. And also from Channell's perspective, he did not want his donors in a position of being in direct contact with the Nicaraguan resistance because again they would be then deluged by a series of requests. That seems standard operation in fundraising.

Q And he preferred that they be deluged with a series of requests from him as opposed to some other organization?

A Well, without accepting the characterization, as I understand it from my observations of Mr. Channell and his fundraising activities, people who give those sums of money only like to do it for very specific programs or very specific items. And if you begin to go to them all the time with little nickel-and-dime needs, they quickly turn to someone else. They like direct, coherently presented objectives which they can fund.

That's part of the reason for that insulation and I suspect part of the reason for Mr. Channell's success.

Q Do you believe that between April or May of 1985 and the conversation you had with Channell in which he told you he was going to begin to take 20 percent from donations that Channel in fact was passing along all the money that he was receiving as contributions for the cause of the contras?

A Either passing it along or using it for public education efforts, yes, since some of the people gave to both things.

Q This is not intended to sound quite as facetious as I think it's going to sound. Did you think that Channell and Conrad were conducting all the activities which they were conducting raising funds for the contras under the NEPL umbrella out of the goodness of their heart for six or seven months?

A I thought their first priority was assisting the Nicaraguan resistance and that assistance took for them--because we had conversations about it--it took for them two forms. The first was direct assistance. And the second was the programs maintained by their organization which was designed to increase public support for the resistance and, in the case of their political organizations, political support for the resistance here on Capitol Hill.

So I felt always that their objectives were to help the resistance. And I think--in full candor, I think they spent their money that way.

Q But you don't have any basis for that.

A I have not seen anything to indicate otherwise.

Q To your knowledge, was one of the reasons for inserting NEPL between the donor and the ultimate recipient to provide the donor with a tax deduction for the contribution?

A In terms of the public education effort, that was quite certainly the reason for it. Can we go off the record for one second?

MR. KAPLAN: Could the reporter please read the last question?

MR. MILLER: I think you're recording over the top of another answer, aren't you? No? I'm sorry.

So in terms of the political efforts and the public education efforts, it was quite certainly one of the reasons it was done.

In terms of resistance assistance, I'm not fully sure what Mr. Channell's motivation was. But I did not consider it at the time as one of the reasons for doing it.

BY MR. KAPLAN:

Q Is there a reason why NEPL was inserted between the donors and the ultimate recipients in addition to IBC and IC, Inc., to your knowledge?

A Well, as I previously stated, Mr. Channell wanted that insulation for his donors. His donors wanted the insulation, and he was the one doing the fundraising, so it was appropriate to agree to that.

Q Did you ever discuss with Mr. Channell or--maybe more appropriately--did Mr. Channell ever discuss with you that one of the reasons why to insert NEPL into the network was because it would be more enticing to potential contributors or prospective donors to be able to offer a tax deduction to them?

A Actually, the opposite is true. Mr. Channell told me one time--and it stuck in my memory quite explicitly--that people who gave these very large sums of money were uninterested in the tax ramifications of it, that they did it for reasons of personal conviction. He used to call them warriors, and they--his statement to me was that tax-deductible status has nothing to do with the way these people make their decisions. And I derived from that the notion that it was unimportant to these people.

Q Did you believe him?

A Oh, I think it's borne itself out to be true. I think all these people gave because of their personal convictions and patriotism and not because of tax-deductible status.

Q Would you feel otherwise if you were told that most all of these people who gave to NEPL during the relevant time period indeed took tax deductions for their contributions?

A No, in that you're saying all the people who gave to NEPL. And the point is I don't think anybody has ever challenged the tax-deductible nature of the public education effort. I don't think the Internal Revenue Service has challenged it. So the public education effort, which was actually larger than the assistance effort, was well within the confines of the regulations governing NEPL.

So when you say "all", no, I don't. I wouldn't be taken aback by that at all.

Q What if you were told that several of the persons who gave money for direct contra assistance, according to your prior testimony and according to testimony of others heard by the committees, took tax deductions for those contributions?

MR. DUDLEY: Is the question would that change his view as to whether they really cared about tax deductions?

MR. KAPLAN: I don't see what that's got to do with it.

MR. MILLER: Well, may I answer the question, because you characterized it incorrectly. He said "care". What Channell said to me was their primary motivation was not the tax deductibility. It was having a personal commitment to a philosophical position or to something that they had a personal--I've forgotten the word I used--but anyway, that's different than whether they ultimately availed themselves of the tax-deductible status.

I think if they thought they could, they'd be fools not to. And they're all very wealthy people, and they didn't get wealthy being foolish. So I think probably they probably decided to take a tax deduction if they thought one was warranted.

MR. KAPLAN: I won't accept your characterization. I know that there are some of mine that you probably won't accept.

On May 6th of this year, did you plead guilty to an information charging you with one count of defrauding the United States under 18 United States Code Section 371?

MR. DUDLEY: As his lawyer, I will object to that characterization. It was not a count of defrauding the United States government. It was a count of conspiracy to defraud.

MR. KAPLAN: That's correct. And that is what 18 United States Code Section 371 provides. And I apologize for the mis-statement.

MR. MILLER: That's correct.

MR. KAPLAN: And was it your understanding in that plea of guilty that the use of NEPL's tax exempt status was wrong or was unlawful in connection with the direct contra assistance effort?

MR. MILLER: As I understand it--

MR. DUDLEY: Let me finish the question, and then let me talk before you start answering.

Have you finished the question?

MR. KAPLAN: Yes.

MR. DUDLEY: I object to the point of the question on the grounds I think that you're asking him for some rather tricky legal conclusions here. And I have a problem with the breadth of it, because it may well be that not all the contributions for direct assistance would have been in any way, shape, or form wrong. And I don't want him to answer a question that's in a very sensitive area like that without perhaps some minor distinctions being observed.

MR. KAPLAN: I accept that, and I withdraw the question.

I'm not trying to lead you into a trouble area. You just gave some testimony, some of which was maybe even a bit non-responsive about the view of the use of NEPL's tax exempt status with respect to the fundraising efforts for direct contra assistance and certain direct contra assistance, which we'll get into a little later today.

And my concern is that as I listened to that testimony, it didn't strike me as being entirely consistent with the plea of guilty to the information to which we've just referred. And I wouldn't want to have the reflect an inconsistency with what's a matter of public record, because we are, after all, committees who are creating a record that we want to have consistent with what's known to the public and part of a judicial record filed in Federal District Court in Washington, D.C.

If that inconsistency that I perceive can either be cleared for our record, then I'd like that clarification.

MR. MILLER: Well, I can't attempt to--

MR. DUDLEY: Let's go off the record a minute.

Q Is it your understanding, Mr. Miller, that NEPL's tax exempt status was never misused in the solicitation of contributions for direct contra assistance?

A No, that is not true. It is my understanding that it was misused.

Q And briefly, could you explain in what respects you believe that NEPL's tax exempt status was misused in that connection?

MR. DUDLEY: I have a problem with this line of inquiry, and I guess I may as well put the problem on the record because I don't understand what relevance his understanding as a layman of the legal issue with respect to the misuse of NEPL's tax exempt status. I don't understand the relevance of that to any line of inquiry that the Committee has.

He can tell you about what in fact was done and what he knew at the time it was done. It seems to me those are perfectly relevant inquiries. His understanding of the legal concepts as we sit here doesn't seem to me to be relevant and quite frankly may entrench upon areas that I am not sure he is competent to testify to.

MR. KAPLAN: I didn't intend to entrench on any areas in which he was competent to testify, and I am certainly

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not asking Mr. Miller to draw any legal conclusions. I simply was seeking a response to the question following on the prior answer of Mr. Miller's as to in what respects he believed the tax exempt status of NEPL was ever misused or was misused in connection with direct contra assistance fund-raising efforts.

That certainly is an area that is within the focus of both the Committee's mandates. And to the extent that it is going to impinge on any attorney/client communications, I have no interest in the answer. I am asking for his understanding. It really is a follow-up to an answer that he gave to a previous question.

Let's go off the record for a minute.

MR. LEON: Off the record.

(Off the record.)

MR. KAPLAN: I am going to ask for an answer to my pending question.

MR. DUDLEY: I am not quite sure what is on the record and what isn't, but I will want my objection noted that it calls for legal conclusions that he is not competent to make.

THE WITNESS: As I understand it, Mr. Channell offered to contributors the capacity to deduct the contribution for assistance to the Nicaraguan resistance, which he knew not to be deductible, and I was a participant in that

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conspiracy.

BY MR. KAPLAN:

Q And did you have contemporaneous knowledge at the time that these deductions were offered that Mr. Channell was offering deductions that were not appropriate at the time?

A Not that I can specifically point to.

[Witness and attorney consult.]

A If I can amend my previous answer --

Q Sure.

A -- instead of the word "assistance", I think it should be "for the purchase of arms".

Q And do you recall when you came to the understanding that this use or misuse -- this use of NEPL's tax exempt status was indeed a misuse of that tax-exempt status?

A I can't. It was a growing understanding, culminating May 6, 1987.

Q Okay.

Did there come a time when NEPL began to give money to IBC or to IC, Inc. that was intended to be provided for assistance to the contras?

A Yes.

Q When did that occur?

A It began receiving contributions from Mr. Channell in, I believe, July of 1985.

Q And did those contributions come from Mr. Channell

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as the result of the conversation that took place at a dinner on July 9?

A I don't think that is the right date, but it was in July that there was a dinner -- there was a meeting, not a dinner, in the Hay Adams where Colonel North directed Mr. Channell to send the contributions to IBC.

Q You have testified previously as to the date of that meeting, I believe. We can amend that testimony to insert a different date, if that will be useful.

Do you recall a date other than July 9th?

A I don't recall July 9.

Q Okay.

A I don't recall another date specific.

Q Okay.

A The independent counsel is using, I believe, the 15th, is it?

MR. DUDLEY: I think July 9th.

THE WITNESS: Oh, July 9th; okay.

MR. DUDLEY: I think his problem wasn't so much with the date as with the characterization of it as a dinner.

MR. KAPLAN: Okay.

BY MR. KAPLAN:

Q Well, at this meeting were Channell, Conrad, North and yourself in attendance?

A Yes.

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Q And at the meeting to which you testified on June 23rd here with us. Is that correct?

A Yes.

Q Do you recall with any better specificity the date of the first payment from NEPL to IBC that was related to direct contra assistance?

A I don't recall specifically what --

Q Some time in July of 1985?

A It seems to me that it was in July of 1985.

Q Do you recall the amount on that contribution?

A As I sit here, no, but I am sure it is in my records.

Q Okay.

Did you continue to receive payments for direct contra assistance from NEPL through November of 1986?

A Yes.

Q Okay.

And when I say did you continue to receive, I am referring to either IBC or IC, Inc.

A Yes.

MR. DUDLEY: What was the date and the question? I'm sorry.

MR. KAPLAN: November 19th.

BY MR. KAPLAN: How did you segregate the payments from NEPL that were intended for direct contra assistance from those payments from NEPL which you attributed to fees owed for services performed by IBC?

A You have the cart before the horse.

Q Yes.

A Since our primary responsibilities were for managing the public education and lobbying efforts, it was easy therefore to take those things that were in addition to those required charges, and they were easily identified. If you look at them the way you have, then you would be confused. But if we are in day-to-day operation and we are receiving fees for television documentaries, for retainer fees and for things of that nature, then when we get an additional amount, it is either announced to us or is something which is in great excess of anything we need, it is clear that it is assistance money.

[Witness and attorney consult.]

BY MR. KAPLAN:

Q Based on your conference with counsel, do you wish to add anything to your previous answer?

A No.

Q Okay.

Do you recall the approximate amount of NEPL payments to IBC, that is total payments, from July 1985 to November 1986?

A It's in excess of $5 million.

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Q Okay.

And do you recall what the total amount was that was designated for direct contra assistance?

A I have recently finished the computations on it, and it is $3.44 million.

Q Okay.

And when you say you recently finished computations, what records have you used in order to do your computations?

A The same ones you have, the invoices and receipts, bank records.

Q Okay.

Who determined the timing and amount of payments from NEPL to IBC for contra assistance?

A Mr. Channell.

Q Now the difference between the $5 million total payments you received from NEPL between July 1985 and November 1986 and the payments that your computations show were used for direct contra assistance is about $1.56 million or maybe a little more, I take it just from your testimony this morning.

Was that remaining amount considered to be payment by NEPL to IBC for fees for services and any disbursements expended in the performance of those services?

A Yes.

Q What services exactly gave rise to the, let's call

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it to round it out, $1.6 million of fees during that 15 or 16-month period?

MR. DUDLEY: Fees and expenses.

BY MR. KAPLAN:

Q Fees and expenses.

A I mean, you have asked for an encyclopedia. In the general category, media relations, lobbying activities, legislative analysis, administration policy analysis, program items such as writing of text, creation of documents, and research into policy and implications of legislation on policy.

We operated a speakers' bureau. We produced several films, television documentaries. We maintained film crews in the border region [redacted] and in some cases they went into Nicaragua. We maintained film crews in Nicaragua and Managua.

We produced text for ads. We produced news release materials, statements. We produced graphics. We produced slides. We produced brochures. We produced books. We produced briefing books. We set up meetings between NEPL people, Administration officials, Congressional officials, media people, state and local officials, industry officials, private citizens' groups.

We provided the Washington coordination for the UNO leadership's Washington activities in 1986. We provided

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long-term strategic planning documents. We provided scenario analyses of activities by the resistance forces. We provided liaison with the resistance forces and NEPL officials. We provided briefings for NEPL contributors. We provided -- I don't know how long you want the list to get. That's as much as I can remember right now.

We handled -- in the area of Central America, we handled the Central American Freedom Program and its original -- its originator which had a working title of the Sacher program and the Central American Diplomacy Program. We handled the strategic defense initiative program for the Endowment and for Sentinel. We handled constitutional minutes program for the National Endowment. We handled a South African Program for the Endowment. We handled a terrorism program for the endowment.

We assisted in setting up one of the political action committees, and other duties as a side.

Q Did you ever read Jerry Lucas' memory book?

A No.

Q Very good recitation of the services that you provided going back a couple of years ago.

MR. DUDLEY: Jerry Lucas, as I understand it, can do the Cincinnati phone book.

BY MR. KAPLAN:

Q Were there invoices supporting the fees and expenses' portion of the NEPL payment?

A For many of the fees and services, yes, we did have invoices.

Q Do you know approximately for how many of the fees and services' portion was supported by invoices?

A I never totalled that up, so I couldn't answer.

Q Okay.

When did you start issuing invoices to NEPL for your fees and services?

A I think we started in December of 1985. It was an attempt to kind of get a handle on things because they had been so frantic and so all-consuming in their activities that we were -- I was trying to get a handle on it, and so was Dan Conrad.

Q How much of the $1.6 million --

(Brief discussion off the record.)

BY MR. KAPLAN:

Q I think I had started into a question. How much of the $1.6 million was attributable to fees, and how much was attributable to expenses, to the best of your recollection?

A I really have not sat down and done a division on it.

Q We discussed a little earlier the basis for your fees, and I take it that with respect to this $1.6 million, that basis that you described earlier this morning would apply. Is that correct?

A Yes.

Q So that a number of the projects for which you performed services were charged to NEPL on the basis of your estimation of what appropriate fees for the project should be.

A Correct.

Q Okay.

Do you have any breakdown as to what percentage of your fees related to work performed for NEPL having to do with the contras or with Nicaragua?

A No, I have never done it that way.

Q All right.

A I have attempted to quantify the total during the period and have given Mr. Channell a report that had a total figure for both, which was I think about $1.4 million. I think that's right.

Q What would that $1.4 million be?

A They are really all fees to IBC and all expenditures by IBC on NEPL's behalf for the programs.

Q For all programs?

A For all programs.

Q Okay.

And can you approximate for us approximately how much of that $1.4 or $1.6 million, as we have been talking this morning, related to NEPL projects in connection with

Central America or Nicaragua?

A I have never done the math on it, so I really -- I mean, at this point I think it would be almost impossible for me to do it. I would say it is at least half. That's about as arbitrary as I can be. I would say it is at least half.

Q Okay.

A It was their largest program.

Q Okay.

During the period, how much of IBC's total income was attributable to NEPL? And I am still talking about the period from July of 1985 through November of 1986.

A You want to know how much of IBC's income is attributable to NEPL in the period between --

Q July 1985 and November 1986.

A I have never quantified it, but I would say it's at least a third.

Q If I told you that on the basis of records we have received from IBC and its financial institutions and from NEPL and their financial institutions that IBC's total income attributable to NEPL was 84 percent over that time period, would that surprise you?

A You would have to be including the money that went to the assistance.

Q That's right.

A Then that is an erroneous figure.

MR. DUDLEY: That's got nothing to do with nothing.

THE WITNESS: But we can do the math right now, if you want to. I am not being facetious. You take 84 percent of $5 million and take away $3.44 million, and that is what your percentage is. It would be considerably less than 80 percent.

BY MR. KAPLAN:

Q Okay. So basically, as I understand it, NEPL's total income during that period was somewhere in the neighborhood of about $6 million.

MR. DUDLEY: You mean IBC's.

BY MR. KAPLAN:

Q I'm sorry. I stand corrected. IBC's total income during that relevant period was -- including the direct contra assistance payments was somewhere very close to $6 million.

MR. DUDLEY: The problem I have with that is your characterization of the direct contra assistance programs as income to IBC, a position that we do not accept.

MR. KAPLAN: Okay.

BY MR. KAPLAN:

Q Then is it fair to say that under the way you calculate income that IBC's total income during the relevant time period was about $2.5 million, that is from July 1985 through November 1986?

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A Where are you coming up with the $0.6 million, that is my problem? I don't have my records in front of me, so I can't tell you what our total 1985/1986 income was.

MR. OLIVER: He subtracted 3.44 from 5 million. That's where it comes from.

THE WITNESS: Yes, but it's apples and oranges. You take the $5 million and subtract 3.44. Then what came to IBC from NEPL was 1.6.

BY MR. KAPLAN:

Q And I believe that the records that have been submitted to the Committees by the various entities that I described a moment ago showed that IBC during that time period had additional income of approximately $1 million.

A Over and above the NEPL income

Q Right; that is right.

MR. DUDLEY: Now if that concords with your recollection, tell him so. If you have no recollection --

THE WITNESS: I don't have a recollection of a specific figure. I have never looked at it in those terms, and I would want to before I accepted any characterization.

BY MR. KAPLAN:

Q Have your computations shown what IBC's total income was for 1985 and 1986?

A I have never done a total IBC income computation for 1985/1986.

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Q Okay.

The computations that you have done recently, were they done at someone's request?

A The Internal Revenue Service.

MR. KAPLAN: Okay. Can we go off the record for a minute?

MR. LEON: Off the record.

[Brief discussion off the record.]

BY MR. KAPLAN:

Q How were the direct contra systems payments from NEPL to IBC treated by IBC?

A As client reimbursable expenses.

Q What were they considered to be reimbursements for?

A You can't use that as an English language translation. It's an accounting term that has to do with the fact that you were not taking possession of the money. You were simply passing it on at the behest of the client.

Q Okay. I appreciate that.

Is the treatment of these monies as client reimbursable expenses a treatment that was arrived at from consultation with counsel?

A Consultation with our accountants.

MR. KAPLAN: Let's go off the record.

(Discussion off the record, and consultation between witness and attorney.)

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THE WITNESS: In answer to your question, the accounting treatment of the NEPL assistance money is something that's under consideration at the moment between counsel and myself. And I don't have a specific answer for you at this time.

BY MR. KAPLAN:

Q At the time that the payments were made by NEPL to IBC for contra assistance, how did you treat them? That is, how did IBC treat those payments for tax purposes and/or for internal accounting purposes?

A Again I think I have to give you the same answer, from an accounting and a tax standpoint.

Q So they were treated as client reimbursable expenses?

MR. DUDLEY: Off the record.

(Discussion off the record.)

MR. KAPLAN: Back on the record.

MR. DUDLEY: The issue of the tax and accounting treatment of payments received by IBC for assistance -- from NEPL for assistance to the Nicaraguan resistance. It is a matter that is in a state of flux. The payments were initially characterized in 1985 on the books of the corporation as client reimbursable expenses.

It is not clear how they will be characterized either for tax purposes or actually in the final books of the

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corporation for 1986. The tax returns for 1986 have not yet been filed. The company is under extension, and the issues are the subject of intense current discussion between Mr. Miller and his counsel.

MR. KAPLAN: I appreciate that statement.

One more question on the subject before we get off it entirely.

BY MR. KAPLAN:

Q Did Mr. Channell or Mr. Conrad ever tell you how these payments should be treated on IBC's books?

A No.

Q I lied. One more question.

Did Colonel North ever advise you as to how these payments should be treated on IBC's books?

A No.

Q What did IBC do with the contra assistance payments that were received from NEPL?

A We put them in the general IBC account, and we disbursed them as directed by Colonel North.

Q How did you know what payments were to be attributed for contra assistance?

A Normally Mr. Channell announced them upon their arrival. In other words, he would bring a check and say this is assistance money.

In the cases when we had to pick it up or it was sent over, again he would do the same thing.

Q Who determined the timing and amount of those payments?

A Mr. Channell.

Q Channell did. All right.

Did North ever have any input to your knowledge as to the timing and amount of the contra assistance payments?

A No.

Q That is your knowledge?

A The answer is still no.

Q Is it possible that North spoke with Channell or Conrad as to the timing and amount of those payments without you knowing?

A It's hypothetical. I guess it's possible, but I have no way of knowing whether that ever took place.

Q Okay.

A There was one instance in which Colonel North asked for a specific amount of money prior to Mr. Channell raising money through NEPL.

Q Would you describe that instance?

A It happened in 1985 in I believe June. And Colonel North called me and said we need $30,000 desperately to the people involved in the southern front. And could I find somebody to give $30,000?

He didn't designate anybody for me to talk to. I

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called Mr. Channell immediately and asked him if he could make a contribution or would one of his people make a contribution? And he put me almost immediately in touch by telephone with John Ramsey. And I explained the situation to John Ramsey, and John Ramsey wired a contribution [redacted]

And subsequently I spoke to Mr. Channell. He suggested a thank you letter to Mr. Ramsey. I contacted Colonel North, and he said why don't you send a telegram my name, and I did that.

Q This is the same solicitation that you testified about back on June 23rd?

A Yes. So that would have been the only time where he determined the amount for us to raise.

That's the only instance that's responsive to your question.

MR. KAPLAN: While we're on it, I am going to ask the reporter to mark as Memo 12, Exhibit 12, a copy of a document which was provided to us by your counsel, and ask you whether you can identify that document?

[Exhibit No. 12 was marked for identification.]

THE WITNESS: Yes. It's a handwritten note of mine in a spiral notebook I kept.

BY MR. KAPLAN:

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Q Is No. 2, which states "okay on telegram," and then has Mr. Ramsey's name and address beneath that, along with Mr. Channell's name and address beneath that, are they notes of a conversation, the conversations with North that you just referred to about sending telegrams to those people?

A This is a list of items which I needed to accomplish, and the double-check means that I accomplished them. So that would indicate that North okayed a telegram to Ramsey and to Carl Russell Channell.

Q The telegram to Ramsey has been marked as a previous exhibit during one of the previous sessions of your deposition.

MR. KAPLAN: I'm going to ask the reporter as Exhibit 13 a copy of the mailgram which purports to be a mailgram from Colonel North to Mr. Channell, the text of which reads, "Thank you for the help on such short notice. We all appreciate your heroic efforts," over Colonel North's name.

(Exhibit No. 13 was marked for identification.)

BY MR. KAPLAN:

Q Is that the mailgram that resulted pursuant to this handwritten note and your conversation with Colonel North?

A Yes.

Q While we're on that handwritten note, and that is

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Exhibit 12, can you tell me, Mr. Miller what the first note on the page refers to which reads, "I believe North consider it done on RR to Spitz's letter"?

A Spitz wanted a letter of appreciation from Ronald Reagan for his ad campaign.

Q And was that letter issued to Mr. Channell to your knowledge?

A I believe so.

Q Okay. Down on No. 3, where it says "can see slide show," do you recall what that note refers to?

A I'm sure it's Colonel North's slide show, but it doesn't have anybody else's reference to it, so I'm not sure what the meaning of it is.

Q Would this have been a slide show on Nicaragua?

A That's Colonel North's slide show.

Q Was it the same slide presentation that he made at the June 27 briefing?

A Yes.

Q And that he made on several other occasions?

A Yes.

Q Was that slide show largely comprised of slides that had been provided to Colonel North by you or other associates at IBC, or Mr. Channell or other associates at NEPL?

A No. There were some pictures in it that were taken by Frank Gomez [redacted] which Colonel North had integrated into a slide show. But all the rest were official declassified photographs.

Q Going back to where we were before we got sidetracked on that Ramsey solicitation, what did IBC eventually do with the direct contra assistance payments after segregating them for contra assistance?

A We spent them according to Colonel North's direction.

Q Did IBC, prior to spending them for the most part, send them along to IC, Inc.?

A Well, actually, I think the initial transfers went to Lake Resources. There were transfers to [redacted] There was the money spent on the al-Masoudi misadventure. And ultimately the objective was to move all the transactions into a situation where it was money to IBC which was passed immediately to IC, Inc.

And the final objective was to have money passed directly from those who wanted to make contributions to IC, Inc. And we did accomplish that in '86.

Q In '86. Do you recall when in '86 you instructed NEPL to begin sending payments directly to IC, Inc.?

A I'm not sure of the specific date, but I think it started somewhere around September.

Q Could it have been August of 1986?

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A Could have been the end of August.

Q At whose direction were these payments first passed to IC, Inc., were then sent directly to IC, Inc.?

Did you tell Channell in August or September of '86 to send the contra assistance payments directly to IC, Inc.?

A Yes.

Q And did you make the determination that the prior contra assistance payments to IBC would be passed to IC, Inc., or was that a determination made by someone else?

A Well, Colonel North directed that they be sent to IC, Inc. The original transactions which were disbursed directly out of IBC were done so for expediency, not for dual purposes, but simply because there wasn't time to get it to IC, Inc., and then transfer it from IC, Inc.

Q Did North ever give you a reason why he wanted the monies transferred from IBC to IC, Inc. before ultimate distribution?

A Well, we had several discussions about it, and some which I discussed earlier with you.

The need for some insulation, and ultimately to provide some secrecy to the transactions.

Q That was something that Colonel North expressed to you?

A Sure. We were both very conscious of it.

Q Then who made the -- opened that determination to

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instruct NEPL to begin sending payment directly to IC, Inc. in August or September of 1986?

A I did.

Q You did, all right.

Did you discuss that decision with Colonel North?

A I don't recall whether I specifically discussed it with him.

Q What prompted that decision?

A We were no longer involved in Mr. Channell's general programs. And the organization that we had then finished the charter change on in the Grand Caymans was sufficient to handle the transactions without them having to go through IBC. There was no reason any more for them to go through IBC.

Q Did you ever tell Channell that IC, Inc. was an offshore company?

A I'm sure I did.

Q Actually in August or September of 1986, the company would have been called Intel Cooperation, Inc. by that time?

A The first checks may have actually been to IC, Inc. But eventually they actually made their NEPL checks out to Intel Cooperation.

Q All right. Do you recall when you might have told Channel that IC, Inc., or Intel Cooperation was an offshore

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company?

A I'm sure the same time I told him to make the checks out to that entity.

Q So that would have been sometime in the late summer or early fall of 1986?

A Yes.

Q Do you recall, Mr. Miller, whether, before that time, you ever told Channell that there was another step beyond IBC in the direct contra assistance funding network that NEPL and IBC were engaged in?

A I don't remember specifically telling him, but I may have.

Q So your best recollection is that it wasn't until August or September of 1986 that Mr. Channell had an understanding that you and Mr. Gomez maintained the offshore company were direct contra assistance payments, eventually ended up before ultimate distribution?

A Well, I can't agree with your question because you've assumed that he knew it was Mr. Gomez and myself. I'm not sure he did know that.

Q What's your understanding of what he knew?

A He knew that there was an offshore organization that was responsible for distributing these contributions.

Q To your recollection, the first time that he became aware of that offshore company was in August or September of

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1986?

A Yes.

Q When, to your knowledge, did Mr. Channell first become aware that you or Mr. Gomez were associated with that offshore company?

A Probably not until this February, when I issued a report to him.

Q When, to your knowledge, did Mr. Channell or any of his associates first became aware that Colonel North had some informal association with this offshore company?

A I don't know what you mean by informal association with the offshore company? I'm not sure he had one.

Q Let me rephrase the question.

When, to your knowledge, did Mr. Channell or Mr. Conrad first become aware that Colonel North was directing the disbursements from IC, Inc. or Intel Cooperation?

A Not until February of 1987. That's totally right.

MR. DUDLEY: I know, but I just want to point something out.

The question and answer are I think potentially misleading, because I think if you asked him when did they become aware that Colonel North had a role in directing the expenditure of the funds that they were contributing, the answer would be different.

MR. KAPLAN: I will ask that question since I think that's a good one.

BY MR. KAPLAN:

Q When, to your knowledge, did Channell or Conrad first become aware that North was directing the ultimate distribution of contra assistance funds that were paid by NEPL to IBC or to IC, Inc.?

A I can't give you a specific date, but I would say that throughout the fall and into the winter of '85, '86, they became increasingly aware of his role. And by spring of 1986 were, I think, aware that he was coordinating this activity.

Q Did you ever tell him that he was coordinating this activity?

A I don't think I ever specifically told him he was coordinating.

Q When you all left the table back in July of '85 from the meeting in which North suggested to Channell that he begin sending contra assistance payments to IBC, what is your impression of what Channell's and Conrad's understanding was at that time?

A That they were seeking Colonel North's advice and consent and direction as to who should receive the funds. And they got it, they got it, and the answer was to IBC.

Q I take it you understood that when North directed the funds to go back to IBC that North would be involved in coordinating the operation and directing the ultimate distribution of the funds?

A Of course.

Q Did Mr. Gomez have that same understanding to your knowledge?

A No. He wasn't at the meeting.

Q But did Mr. Gomez come to that understanding at some later point in time?

A Yes.

Q When did Gomez come to that understanding?

A Actually we had that understanding prior to that meeting because that was the import of the al-Masoudi business in April.

Q We're going to get to the al-Masoudi business but probably not till tomorrow.

MR. KAPLAN: I think this is a good time for a break for me.

[Whereupon, at 12:45 p.m., the taking of the deposition recessed, to reconvene at 1:45 p.m., the same day.]

A F T E R N O O N   S E S S I O N

BY MR. KAPLAN:

Q Now, Mr. Miller, you testified this morning that approximately $3.44 million of money was given to IBC or to IC, Inc. by NEPL for the purposes of direct contra assistance. Who directed the distribution of those funds beyond IBC and IC, Inc.?

MR. DUDLEY: I don't want to quibble with you. I don't think he testified to that. I think those numbers were yours, and he said he didn't have his data in front of him and didn't dispute the numbers.

THE WITNESS: 3.44 is my number.

MR. DUDLEY: Okay. Then I am wrong.

THE WITNESS: 3.44 was distributed -- was given by NEPL by IBC to be given to the resistance.

BY MR. KAPLAN:

Q Okay.

And I take it some of that was also given to IC, Inc. as well?

A Yes.

Q Who directed the disbursement of that money beyond IBC or IC, Inc, as the case may be?

A Colonel North.

Q And who determined the timing and amount of those disbursements?

A Colonel North.

Q Okay.

And how were those disbursements accomplished?

A Normally by wire transfer. And I sent instructions to either my bank here or the bank in the Cayman Islands, or rather I sent instructions to the managing directors who then sent instructions to the bank.

Q How did Colonel North know that IBC or IC, Inc. had some contra assistance money on hand to be disbursed?

A I would have informed him when we received it, and we had for 1985 a running balance sheet, and in 1986 we also had a running balance sheet.

MR. KAPLAN: I will ask the reporter to mark as Deposition Exhibit Number 14 a copy, a composite exhibit, which consists of what purports to be -- the specifics are not important for purposes of my questioning -- what purports to be a telex, I believe, from IC, Inc. to Mr. David Piesing, and that telex is dated June 13, 1986, and then attached to it for purposes of Exhibit 14 is what purports to be a letter identical to the telex, both signed by you and Mr. Gomez.

(Whereupon, Deposition Exhibit Number 14 was marked for identification.)

BY MR. KAPLAN:

Q Do you recognize that telex and letter?

A Yes.

Q All I wanted to ask about these, is this letter and telex representative of the telexes and letters that you would send to the Cayman Islands pursuant to Colonel North's instructions for distribution of money from the IC, Inc. accounts?

A Yes.

Q Would Colonel North typically give you the name of the recipient of the funds?

A On some occasions he gave me the name. At this point, I know pretty much all of them, but at the time he gave me the actual account and the information associated with it that was necessary for me to make the transfer.

Q Okay.

Was that true in all instances that he would give you either the name of the recipient or both the name of the recipient and the account number?

A Yes.

Q I am going to run through a list of recipients that you compiled on the basis of information provided by a variety of entities, including IBC, and ask you to just tell me what you know about the nature of the organization and how much money they received through the NEPL, IBC and IC, Inc. channelling of funds.

A I am not always going to be able to recall the exact figure though.

Q Okay. In any event, I can give you figures, and you tell me whether that seems right.

Was there a Carlos Ulvert?

A Yes.

Q And was that a recipient to whom money was directed by Colonel North?

A Yes. That transfer that you are describing is part of the $100,000 budget for the establishment of the Washington Office of the Unified Nicaraguan Opposition, and Mr. Ulvert was Executive Director.

Q And did Colonel North give you the account information for the transfer of funds?

A No. He told me to work that out with Robert Kegan at the State Department, and Mr. Kegan put me in touch with Mr. Ulvert and at subsequent meetings Mr. Ulvert gave me the account information.

Q Okay. Was Mr. Kegan involved in any other transfers of funds from the NEPL, IBC, IC, Inc. network?

A Not that I am aware of.

Q Had you known Mr. Kegan before Colonel North referred you to him?

A Yes.

Q Did you know him from the time that you had spent at the State Department?

A Yes.

Q We have got on our records a $10,000 payment to Mr. Ulvert directly. You mentioned that that was part of a larger $100,000 payment. Where did the other $90,000 come from or to whom was it paid?

MR. DUDLEY: The $100,000 budget is what he said.

THE WITNESS: The actual dollar amount paid was $100,244.10. I think that is correct. There was $10,000 to the account of Mr. Ulvert. There was $11,000 to an account in Miami. There was --

BY MR. KAPLAN:

Q Wasn't that account in the name of Denise Ponce?

A There is more than one account in Miami, but off the top of my head I think that is the one.

Q Okay.

A There was $15,000 to a gentlemen by the name of Katyal who was the landlord and the owner of the building.

Q Here in Washington?

A Here in Washington.

There was $55,750 paid to a bank here in Washington, which represented the balance at the time. In addition, we paid out of IBC accounts $1,500 to Wynmark Corporation, who were the real estate agents who secured the property for us, and the balance of the rent of $4,500 was paid to Katyal. In addition, we rented the furniture for about $2,544.10. I think that is where that comes from. And we secured the telephones deposit, which we got back.

I don't think I left anything ~~out~~. I think that basically is about $100,000.

Q The $55,700 payment, was that made to a bank on behalf of an entity or an organization called Latin American Finance?

A I'm not sure that is the name of the entity. I think that is the bank's designation for its Latin American section.

Q I see.

A So whatever the bank was -- it seems to me it was First American Bank or something.

Q But the payment itself would have gone to something called Latin American Finance?

A Correct.

Q And were all those payments directed by Colonel North?

A The $100,000 was directed by Colonel North and he instructed me to undertake the activity, and I kept him informed of the expenditures.

Q Okay.

A And I got the final approval for the final expenditure of $55,700; I got his approval because that would have wiped out the account

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Q Our records show that Mr. Calero and accounts controlled by him were Alpha Services, Inc. -- received approximately $1,030,000 from the IC, Inc. account.

A That's correct.

Q Is that in keeping with your records or close to it?

A Yes.

I think his total figure is $1,230,000.

Q Were those disbursements also directed by Colonel North?

A Yes.

Q Were they directed to accounts identified to you by number by Colonel North?

A Yes.

Q The computation we have done shows approximately $31,000 were distributed to [redacted] Is that reasonably consistent with your recollection?

A No, actually it is $41,000. There was a $10,000 wire transfer from the National Bank of Washington communications account for a total of, I believe, $41,000.

Q Right. And 31 would have come from IC, Inc.?

A Correct.

Q Were both of those transfers directed by Colonel North?

A Yes.

Q And were they directed to accounts by number by

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Colonel North?

A Yes.

Q Friends of America we show received approximately $125,000.

A That's correct.

Q What can you tell us about Friends of America?

A Friends of the Americas is a humanitarian organization operated by Woody and Diane Jenkins from Louisiana. It provides medical care and feeding facilities for Meskito Indians and Nicaraguan refugees [redacted]

Q How did you arrive at that understanding as to what Friends of the Americas was?

A I have known about Friends for four years.

Q Did Colonel North direct the funds from IC, Inc. to Friends of America?

A Yes.

Q And did he provide you with bank account information allowing you to direct those funds?

A Yes.

Q Okay.

Gulf and Caribbean Foundation received from IC, Inc. $21,182.

A Correct.

Q And that is former Congressman Kuykendall's

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organization.

A That's correct.

Q And did Colonel North direct the funds to be sent to Gulf and Caribbean Foundation?

A Well, in an indirect way.

Q All right. Can you tell us what you mean by that?

A I was contacted by Colonel North and asked to find an organization who would be willing to serve as the guarantor of surgical procedures. In fact, I think he characterized it as reconstructive surgery. And I agreed to do so. I called Dan Kuykendall and asked him if the Gulf and Caribbean Foundation would be willing to be the guarantor for the surgery through a group of Miami doctors. He checked with his Board and came back and said that they would be willing to do that. And we agreed that he would give me the name and address. I gave the name and address to Fawn Hall, and the hospital or doctors' organization sent the bills to Gulf and Caribbean when they arrived. And they arrived on two different occasions.

We sent checks from IC, Inc. to the Gulf and Caribbean Foundation so that they could pay the bills. And I believe that they charged a 1 or 2 percent overhead to take care of the accounting and the check writing.

Q Our compilation shows that the Institute for Terrorism and Sub-National Conflict received $75,000 from IC,

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Inc.

A That's correct.

Q Did Colonel North direct that disbursement as well?

A Yes.

Q And was the disbursement made to an account identified by number by Colonel North?

A Yes.

Q Can you tell us what you know, if anything, about the Institute for Terrorism and Sub-National Conflict?

A It's a foundation in Washington run by Neal Livingston, and at the time of the transfer Rob Owen was employed by them. And their principal focus is on sub-terrorism and sub-national conflicts, and Nicaragua is a sub-national conflict.

Q Did you come to any understanding as to how those funds were used?

A The only understanding that I have is that in some way it related to Rob Owen's being there. What the specifics were I wasn't told.

Q Okay.

Our records show that approximately $1.3 million was sent to Lake Resources from the IC, Inc. account and apparently $430,000 was sent to Lake Resources from IBC directly.

A That's correct.

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Q Were those disbursements, because there were several, directed by Colonel North?

A Yes.

Q And were they directed to accounts that were identified to you by number by Colonel North?

A Yes.

Q Did you contemporaneously with those disbursemants have any understanding as to what the purpose, what the function of Lake Resources was?

A Well, my original understanding was that it was an organization for the benefit of the Nicaraguan resistance. I never heard of Mr. Hakim until his name surfaced in regards to this inquiry, and the only thing I had seen about General Secord was the news report about him buying an airplane somewhere down south, in the southern part of the United States.

And in regards to what we were raising money for, we had some idea each time we spoke to contributors about the specific items that we were raising money for. So we had some understanding that the money transferred there was to pay for those specific items.

Q And you are talking about specific lethal items.

A Both lethal and non-lethal.

Q Okay.

But I take it that you came to an understanding

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that when there were solicitations intended for the purchase of lethal supplies that took place, that the money that was contributed in response to those solicitations usually ended up in Lake Resources ultimately.

A I don't think I ever made the connection between those two things.

Q Okay.

Latin American Strategic Studies Institute received some $50,000. Is that correct?

A It sounds right.

Q And did it also receive $25,000 directly from IBC?

A It did. That was part of the Central American Freedom Program.

Q So a total of $75,000 and all went to Latin American Strategic Studies Institute?

A Correct.

Q Were those disbursements directed by Colonel North as well?

A Yes.

Q All $75,000 worth?

A Yes.

The $25,000 was for a briefing book on Nicaragua, and Colonel North asked that it be funded and Adolfo Calero asked that it be funded. And we funded it out of the resistance money.

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Q And I take it that the transfer was made to an account identified by number by Colonel North?

A Correct.

Q What's your understanding as to the nature of the activities conducted by the Latin American Strategic Studies Institute with those funds?

A My understanding is that it was used for public education and I have a letter from them, but I can't recall what the specifics of it are, but public education.

Q How did you reach that understanding?

A I asked for a letter in response to a need to know what they spent the money on.

Q Was Father Dowling an acquaintance of yours?

A Yes. I knew Father Dowling for about the same period of time that I knew Spitz Channell.

Q Did you know that Father Dowling was one of the principals in the Latin American Strategic Studies Institute?

A I did.

MR. LEON: You did or did not?

THE WITNESS: I did.

BY MR. KAPLAN:

Q A couple more questions about the $55,700 that went to this Latin American Finance. Were you told what the use of those funds would be at the time that the disbursement was directed by Colonel North?

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A Yes. They were for the administration of the UNO office in Washington salaries.

MR. LEON: Would you say that name again?

THE WITNESS: UNO Office in Washington.

They were for the administration expenses and salaries associated with the UNO Office in Washington.

BY MR. KAPLAN:

Q Just to clarify the record, my understanding of your testimony is that Latin American Finance was a section of the bank to which the payment was made for this purpose so that the disbursement would read as a disbursement to something called Latin American Finance. Is that correct?

A I don't know. My recollection is that Latin American Finance has more to do with the bank itself than it does the recipient. The recipient was whatever the account was for the resistance organizations.

Q Were you given an account number for that disbursement as with the others?

A I was given an account for that disbursement by Carlos Ulvert.

Q Okay.

What role did Mr. Kegan at the State Department play in the coordination of the disbursement of this $100,000 plus a little to coordinate or pay expenses and salaries for the local UNO office?

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A Well, Colonel North called me on the telephone and told me to get the Washington office operational and that my contact in doing that would be Bob Kegan at the State Department. And I called Bob Kegan and told him of the conversation and suggested that I should meet with Carlos Ulvert, the new Executive Director. Mr. Kegan arranged the meeting. I asked Mr. Ulvert for a budget. He provided a budget, and I went to Colonel North and discussed the total figure with him, and subsequently got his approval to fund it.

Q Do you recall when these conversations took place?

A It seems to me it was about March. It's just about the same time as the first transfer to Katyal.

Q I take it that would be reflected on the records that you have provided us.

A Yes, within 30 days of that period, 30 days prior to that period.

Q So there wasn't a long lead time from the time of those conversations to the actual payment, the coordination of those payments?

A Ollie North had no long lead times. It was done -- it was one of those things that was required to be done immediately.

Q Could it have occurred some time within a month or so of July 30, 1986?

A Whatever the Katyal transfer date was, it is liable

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to be about a week or two prior to that.

Q Now the records we have show that there is really a couple months' period between the Katyal payment and the Latin American Finance payment.

A Oh, yes. Latin American Finance was the end of the grant process.

Q I see.

A Basically, we were turning over to them the funds to administer the office themselves.

Q So you had the conversations with Kegan and Kegan referred you to Ulvert, and then you started making payments to control the support purpose.

A Correct.

Q And one of the first payments was to Katyal, and one of the last payments was to this Latin American Finance.

A Latin American Finance was the last payment.

Q Okay.

Do you recall a $10,000 disbursement from IC, Inc. to the Nicaraguan Business Council?

A Yes.

Q Did Colonel North direct that payment?

A Colonel North approved that payment.

Q Okay. And when you say -- I noticed that you changed my wording to "approved" in this case. Can you explain to me --

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A Yes. Mr. Matamoros approached me and said that the Nicaraguan resistance wanted to bring a group of Central American Congressmen to the United States to be before national media and to meet with officials in Washington, and that it would cost $10,000. And he asked if I could give him $10,000. I called Colonel North, asked his permission, and he said yes, and I sent him $10,000.

Q I take it the Nicaraguan Business Council is different from the Nicaraguan Development Council?

A That's correct.

Q The Nicaraguan Development Council received our records show a $31,000 payment directly from IBC. Is that correct?

A Actually, there were two payments, one of $6,000 and one of $25,000.

Q All right, combined.

Were those payments to the Nicaraguan Development Council directed by Colonel North?

A Yes.

Q They were. Again, were they directed to accounts identified by account number by Colonel North?

A In those two instances, each of them is slightly different. The $6,000 was for travel expenses associated with several of the UNO leaders coming to Washington, expenses that the NBC had absorbed, and I was approached by

Mr. Metamoros to pay those expenses, and I got Colonel North's permission to do so.

In the case of the $25,000, that was $25,000 urgently needed, again, by Mr. Metamoros for payroll taxes, and attorney's fees, and general operating expenses for the NDC office. And he approached me on it, and I contacted Colonel North, and Colonel North approved the expenditure.

Q What can you tell us about the Nicaraguan Development Council?

A The Nicaraguan Development Council is an organization in Washington, tax-exempt but I don't think tax-deductible. It is a organization that basically serves as the domestic arm of the Nicaraguan resistance. One of the domestic arms of the Nicaraguan resistance.

Q Similarly, what can you tell us about the Nicaraguan Business Council?

A I really know nothing about the Nicaraguan Business Council. Just that they were the sponsors of this group of Congressmen.

Q All right. Do you recall a $60,000 disbursement from IC, Inc. to an entity called Pigfield Enterprises?

A Pigfield Enterprises?

Q Right.

A No. Would there be another name associated with it?

MR. DUDLEY: Parkfield Enterprises?

THE WITNESS: Where? What country was it disbursed to?

MR. KAPLAN: I believe it was disbursed--can we go off the record for a second.

[Brief discussion off the record.]

MR. KAPLAN: Back on the record.

THE WITNESS: Are you talking about a $40,000 and a $20,000 transfer?

MR. KAPLAN: I believe that's correct.

THE WITNESS: One right after the other?

MR. KAPLAN: And it's to a financial institution in Florida.

THE WITNESS: Yes. I recall that.

BY MR. KAPLAN:

Q Were those disbursements directed by Colonel North?

A Yes.

Q Were they to account numbers provided to you by Colonel North?

A Yes.

Q And what can you tell us about those disbursements, if not about Pigfield, or Parkfield Enterprises itself?

A At the time that those transfers were accomplished, Colonel North told me that they were to assist the church in Nicaragua to recover from the harassment that they had suffered at the hands of the Sandinista government, including

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the smashing of the presses and the confiscation of printing materials. And also, operation of the church organization which had been greatly curtailed. There have been subsequent revelations that that account is associated with Cardinal Obando y Bravo, but I have no way to independently verify that.

Q What about Polca, S.A.? Do you recall a $25,000 distribution to a recipient named Polca, P-o-l-c-a-, S.A.?

A Yes.

Q Was that a disbursement that was directed by Colonel North?

A Yes.

Q Was it to an account identified by number by Colonel North?

A Yes.

Q What can you tell us, if anything, about Polca, S.A.?

A I don't have any idea who it is.

Q Okay. Do you recall when that distribution was made, offhand?

A Late in 1986.

Q Late 1986. Was it some time prior to Colonel North's having left the NSC?

A It was given to me prior to Colonel North leaving the NSC. I don't know whether I accomplished it prior to his

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leaving the NSC.

Q Okay.

A Because there's a great lag time between the time he would pass instructions and the time they would be executed by the managing partners in the Caymans. It's part of the problem of doing business--

Q I see. What kind of lag time would there be between the time that Colonel North gave you instructions, and the time that you sent a Telex, and letter, as marked as an exhibit earlier today, to the Cayman Islands?

A It really varied. It depended on his expression of urgency. In some cases, the transactions were continuing, such as $5,000 a month, or $7,000 a month, or 10,000 once a month for the next three months, or something to that effect.

Q But generally speaking, when Colonel North gave you instructions, you implemented them fairly promptly?

A As quickly as I could, yes.

Q Do you recall disbursements totalling $60,000 to a group called Friends of Freedom, directly from IBC?

A Friends of Freedom?

Q Right.

A No.

Q What about the same amount then, $60,000, to Alfonso Robelo?

A Yes.

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Q And did Colonel North direct those disbursements?

A Yes.

Q Again, did he direct them to account numbers that were identified by him?

A Yes.

Q What's your understanding as to the use of that $60,000?

A That money was to support Mr. Robelo's political organization [redacted] pay his employees' salaries, and newsletter cost, and travel expenses, administrative overhead.

Q Was the contribution that you described earlier, pursuant to the solicitation requested by Colonel North to [redacted] also intended for Robelo's behalf?

A Yes.

Q IBC also distributed a total of $100,000 to an individual named Gary Bagdasarian. Is that correct?

A Yes.

Q Who is Gary Bagdasarian?

A He's an attorney for Ibrahim al-Masoudi.

Q And where is he located?

A California. Fresno.

Q In Fresno. Was that part of your undertaking with al-Masoudi, that you would pay his attorney's fees?

A Well, it was one of the expenditures that we paid on behalf of al-Masoudi.

Q Did Mr. Bagdasarian represent al-Masoudi in connection with the criminal charges that were eventually filed against him?

A I don't believe so.

MR. DUDLEY: PD in Philadelphia.

MR. KAPLAN: So the record's clear, PD is a Public Defender.

[Brief recess.]

MR. KAPLAN: Back on the record.

MR. DUDLEY: Before we begin, there is one thing Mr. Miller wanted to clarify.

THE WITNESS: I think you left the impression that the money for Bagdasarian was for fees for Bagdasarian. It apparently was not. In fact it was represented to us at the time that that's what it was for. It was for something entirely different.

BY MR. KAPLAN:

Q Do you know what it was used for?

A It was used for a forfeited performance bond that al-Masoudi supposedly had to forfeit. It was 104,000, total.

MR. DUDLEY: And what it was actually used for--

MR. KAPLAN: Was Bagdasarian the guarantor on the performance bond? Is that what your understanding was?

THE WITNESS: No, no. It was al-Masoudi's performance bond. Bagdasarian was simply serving, I think, as a conduit.

BY MR. KAPLAN:

Q What was the performance for? Do you know?

A I don't.

Q What was the source of the $100,000 that was paid to Mr. Bagdasarian?

A That was assistance money.

Q Did Colonel North direct that $100,000 disbursement?

A Yes. He approved that $100,000 disbursement.

Q He approved it. So that I take it, then, you were asked to make good on a $100,000 performance bond that al-Masoudi forfeited on, and you called Colonel North and you told him that you were asked to make good on this, should you pay it, and he told you to pay it?

A Yes.

Q And did he tell you from which funds to pay the $100,000?

A Well, we were only dealing with one set of funds, and that was the assistance money.

Q And it was the assistance money that had been passed to you by NEPL?

A NEPL and, at that stage, maybe also the Heritage Foundation, and--well, at least one other contributor.

Q Who was that one other contributor?

A His name was Barness, B-a-r-n-e-s-s, and it was a single check for $5,000 which I sent to IC, Inc. But all the al-Masoudi money was assistance money.

Q And when you say "assistance money" you're referring to money coming either from NEPL, from Heritage Foundation, contributions, or to this $5,000 from Mr. Barness?

A Correct.

Q Other than Mr. Kegan's involvement, which you described a bit earlier, to your knowledge, was anyone else at the NSC and the White House, or in any other department or agency of the United States Government, involved with or knowledgeable of the contra funding network that you and NEPL, and Colonel North were engaged in?

A Fawn Hall. Robert Earl. I'd say that's about it.

Q To your knowledge, how would you describe the extent of Fawn Hall's knowledge?

A Intimate.

Q And how did you arrive at that understanding as to the extent of her knowledge?

A Well, sometimes instructions to me, by North, would be passed through her, or a message would be passed through her, and I might pass a message back. He was often out of the office, out of the country, and Fawn was a reliable communications source.

Q Was it clear from your conversations with Fawn Hall

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that--well, that she knew about the "goings-on" of the operation?

A I would say--I'm probably not qualified to characterize what she knew.

MR. DUDLEY: I'm not sure what "goings-on" are.

THE WITNESS: I really don't know how to characterize her state of knowledge.

BY MR. KAPLAN:

Q Did it appear from your conversations with her, that she was aware of the nature of the activities?

A The general nature, yeah.

Q What about Robert Earl?

A Well, given that instance which I recalled to you earlier this morning about the chart, I get some sense that maybe Earl was a little more conversant with details.

Q Did you ever have any conversations with Earl, with North, or with anyone else, that led you to the conclusion that you just expressed?

A About Earl?

Q Yes.

A Yeah, but I can't recall any of them, specifically.

Q Did Earl ever give you any instructions with respect to disbursements of funds, or the like, in connection with the contra-funding activities?

A I don't remember any, specifically.

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Q Was John Roberts, to your knowledge, aware of the nature of your contra-funding activities?

A No.

Q Was Elliott Abrams, to your knowledge, aware of those activities?

A No.

Q Who, at NEPL, was aware of these activities, other than Mr. Channell and Mr. Conrad?

A When you say "these activities", you're talking about the assistance?

Q That's right. If you'll allow me, I'll refer to them by the shorthand of "the network", but what I'm referring to is the NEPL, IBC, IC, Inc., and beyond, funnelling relationship.

A Well, at IBC there was only Frank Gomez and myself.

MR. DUDLEY: Who at NEPL?

THE WITNESS: At NEPL, I would say Spitz Channell and Dan Conrad, Cliff Smith, and of course Littledale.

BY MR. KAPLAN:

Q And how would you describe--if you can--Cliff Smith's knowledge?

A General. But I always got the feeling that the solicitations for assistance money were done primarily by Spitz.

Q And what about Littledale's knowledge? How would you characterize that?

A Again, general.

Q How would you characterize Frank Gomez's knowledge of the contra-assistance activities?

A Peripheral.

Q Peripheral. So--

A Well, I don't know if that's the right word.

Q Feel free to give me more than a one-word answer.

A Frank was knowledgeable about the transactions, and was knowledgeable about the structure. The day-to-day details were something that I attended to, not Frank.

Q And when you say "knowledgeable of the transactions", what exactly do you mean by that?

A Well, his name had to go on the transactions just as mine did, so he would have been knowledgeable about the transactions.

Q Did he just come in and sign letters, or did someone explain to him what was going on here?

A Both he signed letters and I received verbal agreement from him when we transmitted Telexes.

Q And did he understand what the substance of the letters he was signing were?

A Yes.

Q He did. And did he understand that he was a necessary "spoke in the wheel", so to speak?

A Yes.

Q How would you characterize Jonathan Miller's knowledge, if any, of the network?

A I don't think he had any knowledge of it; not from me, anyway.

Q Are you aware of whether he had any knowledge of the operation of the network from anyone else?

A Well, he was working for a while fairly closely with Colonel North, and in fact was working out of his office, Colonel North's office, for a while.

Q Was he engaged in the contra funding and fundraising activities?

A I don't know that he was involved in fundraising, but I know Frank has reported to me one instance when Jonathan offered traveler's checks to one of the Meskito leaders, and I think it was Diego Wycliff, but I'm not sure which of the Meskito leaders it was.

Q When you referred to "Frank" a moment ago, you were referring to Frank Gomez?

A Yeah. Frank told me about an instance in which he was at the National Security Council offices, and in effect he was doing the translation for Jonathan, and serving as kind of an escort for this Indian leader, and Jonathan was trying to convince him to become part of the resistance movement. And as a show of his good faith, he held up several thousand dollars in traveler's checks and basically offered financial support necessary for the guy to run his organization as part of UNO.

Q I take it you're no relation to Jonathan Miller?

A No.

Q When was the World Affairs Counsellors, Inc. established?

A April 1986. I believe the 25th.

Q Why was World Affairs Counsellors formed?

A The first, primary reason was to accept the 10 percent overhead charge which we began charging Colonel North in the IC, Inc. and assistance transfers. And secondarily, we wanted to do more of this type of business for resistance movements or political entities--or, excuse me--international foundations. And as a result, we also built into the charter of that organization political, media relations, strategic planning. That type of thing.

Q In your prior testimony, I believe that you testified that it was some time in late 1985, that you discussed with Colonel North your interest in charging 10 percent of the assistance funds that were passed to IBC, and through IBC, is that correct?

A Right.

Q I take it that you specifically recall mentioning a figure of 10 percent to Colonel North?

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A Yes. I do.

Q And you also testified, back in June, that Colonel North commented to you something like, 10 percent would be fine because most of the people in the contra-assistance business are taking 20 to 30 percent. Is that correct?

A Yeah. I think it was almost exactly his words that he said, 10 percent is fine, most of the people involved in this are taking anywhere from 10--or anywhere from 20 to 30 percent.

Q Do you recall the specific conversation in which you first raised with Colonel North this interest of you and Mr. Gomez wanting to deduct 10 percent from the assistance payments?

A I don't remember the specific conversation. I remember the basic elements of it.

Q Would it have been in the context of conversations about other disbursements being made of assistance funds?

A Well, one of the first and foremost reasons was after the al-Masoudi business, and working with the resistance leaders, it became clear that this was costing us money.

I mean, we were using fees associated with other activities to pay for our time associated with this, and al-Masoudi had actually been money out of our pocket, and as a consequence we thought we'd better start charging an overhead fee or we were going to continue to lose money, and we

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weren't that profitable, that we could afford to do it.

Q I'm not going to mark as an exhibit, but I'm going to show you a notation which I'll represent to you is from Colonel North's notebook, dated November 19, 1985.

MR. DUDLEY: Off the record.

MR. KAPLAN: Yes.

[Brief discussion off the record.]

MR. KAPLAN: Back on the record.

I'd like the reporter to mark as an exhibit a page of notations which our date stamp show were taken from Colonel North's notebooks provided to the Committees.

I'd like to state, for the record, that this Exhibit 15 has been reviewed internally, and determined that there is no classified information that hasn't already been testified to by Mr. Miller, or other parties, in connection with these investigations.

The insertion of this page of Colonel North's notebooks into the record in no way is intended as a waiver of any classification and declassification procedure that appropriately would apply to any other notes in the notebooks produced to the Committees by Colonel North in connection with his testimony.

[The document referred to was marked for identification as Miller Deposition Exhibit No. 15.]

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BY MR. KAPLAN:

Q Mr. Miller, do you recognize the handwriting on Deposition Exhibit 15?

A Well, I think it's Colonel North's handwriting.

Q And reading down, it says, "R. Miller", and I've assumed that that applies to you. Are you aware of any other R. Millers with whom Colonel North had dealings or conversations?

A No.

Q And at the top of the page is the notation, 19, N-o-v, for November--and I'll represent to you that this came from a 1985 notation. It states a time, I believe, as 11:30, and as I can read it, I believe it says, "On hand, and acted on."

And then it lists information as to the movement, or requested movement of certain amounts of money to various recipients.

Are those recipients that you recognize?

A Yes, but I think you've misread it. I think it says "Oliver North had and acted on." I think that's "O.N."

Q O.N. stands for Oliver North. Okay. And does this notation refresh your recollection as to a conversation you had with Colonel North back on November 19, 1985?

A This is the probably the conversation that you and I just spoke of a moment ago.

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MR. DUDLEY: His question to you was whether it refreshes your recollection. He asked you a number of things about it. He asked you the substance of it, and he asked you the date of it, and I think he's asking if, after reviewing that, you now have any further independent recollection either of the substance of the conversation or whether it actually took place on November 19th.

MR. KAPLAN: That's correct.

THE WITNESS: I can't confirm whether it was November 19th. It seems to me that all these transfers are transfers that we got instructions for pretty much all at once, and this church account thing at the bottom is exactly what I got for the transfer to the church account. So it's probably all the same conversation.

BY MR. KAPLAN:

Q Okay. And toward the bottom of the top half of the page, you see the notation that says, and I quote: "IBC, dash, 10 percent." Close quote.

A Right.

Q Is this note consistent with your general recollection as to Colonel North's approval of you and Mr. Gomez charging 10 percent for your services and professional risk in your activities in connection with the contra funding, or contra-assistance network?

A Yes.

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Q So if Colonel North were to say that he never discussed a specific number with you, I take it that you would say his recollection was probably wrong?

MR. DUDLEY: I object to asking witnesses to comment on testimony of other witnesses. He can tell you what his recollection is, and from that you can draw your conclusions, but I don't think it's appropriate to ask one witness whether another witness is right, or wrong.

BY MR. KAPLAN:

Q Would it be inconsistent with your recollection, if Colonel North testified that he didn't recall discussing a specific number with you?

A I don't know what you mean by "specific number."

Q That is, 10 percent.

A If the question's 10 percent, then that would be inconsistent.

Q But I take it that your recollection, independent of Exhibit 15, and as refreshed or confirmed by Exhibit 15, is that you specifically asked Colonel North for approval to charge 10 percent of the money that was passed through IBC for contra assistance?

A That's correct.

Q I take it that your recollection is that you specifically received his approval for the 10 percent figure?

A Yes.

[Brief recess.]

MR. KAPLAN: Let's go back on the record.

BY MR. KAPLAN:

Q After receiving Colonel North's approval to begin charging this 10 percent, when did you begin to deduct the 10 percent from the contra-assistance payments that were passing through IBC?

A There was one $400,000 contribution where 10 percent was deducted, and then I think most of it was deducted in the Grand Caymans, and some of it was done in retroaction to the formation of World Affairs Counsellors. Because they just didn't have time to get down there and form World Affairs Counsellors, and so we had to do it in retrospect.

Q And when you say it was done in retrospect, did you begin deducting the 10 percent as a paper matter, some time prior to the formation of World Affairs Counsellors?

A Yes.

Q Do you recall when you started deducting the 10 percent as a paper matter?

A It was pretty close to this period in time.

Q Go ahead, if you've got something to add.

A No.

Q Do you recall the total amount of funds that were deducted as part of this 10-percent charging of the contra-

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assistance payments?

A I don't have an exact figure for you but it's somewhere around 250 to $300,000.

Q All right. Is it possible that the amount is closer to 440 to $450,000?

A No.

[Witness and attorney consult.]

THE WITNESS: I know what your concern is. The tail end of 1986, Colonel North gave us a directive to use the remaining money in the account to pay legal fees associated with what we expected to be inclusion in some of the matters that were pending down in the Federal court in Miami.

And in addition to that, we also sought reimbursement for some specific items, and in fact had to--for instance--reimbursement Miller Communications for the 10,000 that went to [redacted] Things like that. And there was generally a paper ledger kept on that.

BY MR. KAPLAN:

Q Did any funds make their way into World Affairs Counsellors, that were not part of this 10-percent charge, or commission?

A Any funds removed from IC, Inc. that were commission or reimbursement, that was the only way they went, was into World Affairs Counsellors.

Q So that--

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A So it's the rule rather than the exception.

Q So that if 440 to $450,000 made its way into World Affairs Counsellors, that might well represent the total amounts that were deducted, or charged off as part of this 10-percent charge or commission.

A That's correct, although I think there are some charges on this side of the Gulf of Mexico. I think there are some charges in IBC accounts, at times, when, for expediency reasons, money was transferred from IBC.

Q But if the records reflected that approximately 440 to $450,000 were deducted from IC, Inc., and placed into the World Affairs Counsellors' account, you wouldn't dispute that that amount is, if not all, at least very largely attributable to the 10-percent charge, or commission that Colonel North approved back in November 1985. Is that correct?

A If you want me, I'll define large for you. I know at least 100,000 of it was for legal fees at his direction, and I can't give you an exact figure, but several tens of thousands more were for specific reimbursement items.

Q But nonetheless, the $100,000 for legal fees, I take it, was money that was taken for the personal benefit of you, or Mr. Gomez? I mean, the legal fees were at least intended to be paid on behalf of you or Mr. Gomez's behalf, is that right?

A That's correct.

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Q So it might not have been a part of the 10-percent charge or commission that Colonel North approved, but nonetheless all monies that went into World Affairs Counsellors were monies that were ultimately used for the benefit of either you or Mr. Gomez?

A No.

Q Tell me where I'm wrong, because we can clarify the record on this, and move on.

A Well, if you are willing to accept that there were reimbursement items in that money, then those items were not for our benefit. They were simply reimbursement to us for expenditures that we had to make.

Q What kinds of expenditures would those have been reimbursement for?

A Well, like the $10,000 to [redacted] that had to come out of Miller Communications. There was $10,000 in the cost of setting up the original corporations. There was $100,000 in legal fees. I can't think of all of them, off the top of my head.

Q The $100,000 in legal fees, for instance.

[Witness and attorney consult.]

BY MR. KAPLAN:

Q The $100,000 in legal fees, for instance, for whose benefit was that money either spent, or intended to be spent?

A Well, to defend IBC. I mean, we fully expected the organization to come under legal attack.

Q And who were the two partners of IBC?

A Frank Gomez and Rich Miller.

MR. KAPLAN: I'm going to ask the reporter to mark as Deposition Exhibit 16, again, a composite exhibit. I'm not going to ask you any questions about the top letter because I think you've covered that in your testimony.

[The document referred to was marked for identification as Miller Deposition Exhibit No. 16.]

BY MR. KAPLAN:

Q The second page of the exhibit purports to be a letter from David Piesing, at Cayhaven Corporate Services, Limited, to you, dated May 14, 1986. The letter is short, and I'll just read it into the record.

It says, quote: "I refer to the verbal instructions that you gave me during your trip here earlier in the month." That is, that you gave to Mr. Piesing. "For some reason it was overlooked, but we shall need written instructions from you to automatically deduct 10 percent from any grants received from this company, and to pay the 10 percent deduction over to World Affairs Counsellors, Inc. as a commission." Close quote. The rest are salutary words.

Can you identify this letter?

A Yeah. This was a letter from me to Mr. Piesing, referring to my instructions that from the beginning of World Affairs Counsellors, any monies that came into IC, Inc., there was to be an automatic deduction of 10 percent, and that money was to be deposited in World Affairs Counsellors.

Q And those instructions that you gave to Mr. Piesing were simply the carrying out of an approval that Colonel North had given to you back in November of 1985?

A Yes. But this was at the formation of World Affairs Counsellors.

Q Right.

A The instructions were that any money that came, once World Affairs Counsellors had been established--any money from that date forward, that came into IC, Inc., there was to be a 10 percent automatic deduction.

Q And the 10 percent that is mentioned in this letter is not pulled out of thin air, it is the 10 percent charge, or commission, or compensation that Colonel North approved back in November of 1985, and for which you had begun to deduct as a paper matter some time shortly thereafter?

A That is correct.

Q Okay. Tell me why you felt entitled to receive the 10 percent that you requested from Colonel North.

A Well, I don't like the word "entitled." We had run what I thought were extreme risks with the al-Masoudi business. It had cost us personally, financially. It had taken up a tremendous amount of professional time. It was, as any lawyer will tell you, or anybody who bills their time, opportunities lost to make money with paying clients, and our role with Colonel North seemed to be growing, and he seemed to be asking us to do more all the time. And there was no way for us to continue to do that unless we could start compensating ourselves, since we were the primary wage-earners for the rest of the employees at IBC.

Q On what basis did you think Colonel North was authorized to approve your taking 10 percent of the funds?

A Just by virtue of who he was. He seemed to be in control of the operation.

Q And was it your understanding that once the funds for contra assistance left NEPL, that they basically were under the complete discretion, or control of Colonel North?

A I viewed them that way, yes.

Q And you testified earlier this morning, that there was a time at which Mr. Channell told you that he was going to begin to deduct 20 percent from the contributions intended for contra assistance.

Was this about the same time that you obtained Colonel North's approval to 10 percent as a charge for you and Mr. Gomez?

A I don't think that's exactly what I said. I said I recall one time when Mr. Channell told me he was going to deduct for his organization 20 percent from--and I think it was a Barbara Newington contribution of--I think the total was $1.2 million, or something. And--

Q Was that the Newington contribution to which you testified on June 23rd?

A Yeah. And the subsequent, too, I think.

Q Other than the World Affairs Counsellors' payments, did you receive any other benefits from your activities involved in the contra-assistance network?

A Financial benefits?

Q Financial benefits.

A Well, we were paid fees by Mr. Channell for our work on his programs, but, no.

Q Do you have knowledge of anybody else, other than perhaps NEPL, as an entity, or Mr. Channell or Mr. Conrad, through NEPL, deriving any benefit from the provision of monetary assistance to the contras?

A Well, I think all their salaries were paid by NEPL, so they, like any employee of an organization that undertakes a program, they receive salaries from that organization.

Q Do you have any knowledge of anyone else receiving any financial benefit from this contra-assistance network?

A Not other than what I've described to you in previous transactions from IC, Inc. I don't have anybody that comes readily to mind.

Q Okay. What was your understanding as to the intended purpose of the contra-assistance payments that were made through IBC, or through IC, Inc.?

A The general purpose was for the provision of assistance to the Nicaraguan resistance. It became clear, early on in the relationship with Colonel North, that that meant a fairly diverse group of people receiving assistance. And in regards to the specific fundraising, we, at Mr. Channell's direction, or request, tried to identify specific items which people could raise, could give their money for.

These people who gave large sums wanted to do it for something that was identifiable, and not for general financial assistance.

Q And you testified back on June 23rd, I believe, that Mr. Channell focused on certain lethal supplies, in many instances, as enticing donors to make contributions for contra assistance, is that correct?

A I wouldn't accept the characterization, but I would say that, initially, our fundraising was targeted at general assistance. It began to incorporate things such as heavy-lifting systems, Maule aircraft. The later period, Mr. Channell began to raise money for specific weapons.

Q And anti-aircraft missiles?

A Anti-aircraft missiles, specifically.

Q And there were instances, as you testified, back on

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June 23rd, in which Colonel North supplied the information as to what the contras' needs were with respect to some of these, both lethal and non-lethal supplies?

A That's correct.

Q And you also testified, back on June 23rd, that Colonel North participated in some of the solicitations intended for the purchase of these big-ticket items, both lethal and non-lethal supplies, is that correct?

A Colonel North made presentations to people prior to a solicitation from Mr. Channell. That's correct.

Q And part of his presentation, at times, included references to lethal supplies as well as non-lethal supplies?

A In the single instance which I can remember, a discussion of lethal supplies, I don't know whether Colonel North was still in the room at the time, but I don't believe he was.

Q Now to refresh your recollection, on June 23rd, you testified in response to my questions as follows:

"Question. Did North describe the capability of the shoulder-held surface-to-air missile that was in the file folder to counteract the Hind helicopter?"

"Answer. He did refer to surface-to-air missiles, but only generally. I don't think he specifically referred to the one in the folder."

"Question. When you said before that Colonel North

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referred briefly to the final folder that you prepared, how did he refer to it?"

"Answer. I don't remember the specific conversation, but he was describing to Mrs. Newington how the Hind helicopters had changed the battlefield tactics of the resistance forces, breaking them into smaller units, not allowing them to have large collections of soldiers. I also had a copy of a New York Times piece on the Hind helicopter, and as I remember, he used that far more prominently than he used the folder."

"Question. Did Mrs. Newington ask Colonel North if he knew where to obtain surface-to-air-missiles?"

"Answer. As I recall, her specific question was, 'And you know where to get these?', and he said, 'Yes, we know.'"

"Question. And did Colonel North quote any prices to Mrs. Newington?"

"Answer. I don't recall."

MR. DUDLEY: Is that supposed to be inconsistent with what he just said?

BY MR. KAPLAN:

Q Now does that refresh your recollection as to whether Colonel North ever participated in the solicitation of funds intended for the purchase of lethal supplies?

MR. DUDLEY: I object to this line of inquiry, and

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I don't think that's proper, either as refreshment of recollection, or his impeachment, but I'll let him answer the question.

It seems to me that there is absolutely no inconsistency between that and what he just testified to.

THE WITNESS: And I guess what I'd ask you to do is define your definition of "solicitation."

MR. DUDLEY: I think that's where you're falling apart, is you're using the word differently.

THE WITNESS: I just need to know what you consider solicitation.

BY MR. KAPLAN:

Q Did Colonel North, in your presence, ever describe to any contributor the contras' needs for any particular lethal supplies?

A In general terms, in conversation with Mrs. Newington, he described surface-to-air missiles as devices to shoot down Hind helicopters.

Q And we've just read your testimony from June 23rd in which you stated that he even told Mrs. Newington that he knew where to get these missiles. Is that correct?

MR. DUDLEY: It is correct that you read that. Now are you asking him if his testimony is correct?

MR. KAPLAN: Right. I mean if his testimony's changed, I certainly want to know about it.

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THE WITNESS: No, no, it's not changed at all. In fact I think I may have also said to you that "we" was a euphemistic term that he used, as a convention in conversations with people. And one got the sense, when he said that, that he was speaking more about the resistance than he was about himself. So "we" was a collegial term which he used.

BY MR. KAPLAN:

Q That wasn't my question. My question was, is, in your testimony on June 23rd you testified that Colonel North told Mrs. Newington that he knew where these missiles could be purchased.

My question is, is that testimony still accurate today?

MR. DUDLEY: And he's answered that question. He said yes.

MR. KAPLAN: All right. And that's a yes or no.

MR. DUDLEY: He answered it.

MR. KAPLAN: And if he could answer it, I would appreciate it.

MR. DUDLEY: Answer it again.

THE WITNESS: I'm not going to answer it yes or no because it's not a yes or no answer. I mean, he used the term yes, we know where to get them, and the "we" that he used then was a euphemistic term which he'd used on other occasions in my presence, and the sense that one had--and I'm

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sure Mrs. Newington had from the conversation--was that he was speaking in a collegial sense, and that he was as much talking about the resistance as he was about his own knowledge.

BY MR. KAPLAN:

Q How can you testify as to what Mrs. Newington's understanding was of what Colonel North told her?

MR. DUDLEY: You've asked him questions all day about what people understood, and when you want him to get inside somebody's head, you're perfectly happy to ask it.

MR. KAPLAN: And he consistently has refused to answer those questions.

MR. DUDLEY: Well, he said from contact--

MR. KAPLAN: On the few times that I have asked him, and with specific reference to his knowledge--I have not asked him what was in Mrs. Newington's mind. I've asked him a simple question which is whether his testimony on June 23rd stands correct and true as of today.

And the answer is a yes or no answer. That's what I'm asking for and that's what I would like from the witness.

MR. DUDLEY: :And he has given you that answer.

MR. KAPLAN: Would you please provide an answer to that question, yes or no.

THE WITNESS: The answer to your question about my testimony of June twenty--

MR. KAPLAN: Third.

THE WITNESS: --third is yes.

MR. KAPLAN: Thank you.

I'm going to ask the reporter to mark as Deposition Exhibit 17.

[The document referred to was marked for identification as Miller Deposition Exhibit No. 17.]

MR. KAPLAN: It is the cover page plus the first two pages of a report prepared by International Business Communications and submitted to the Committees by your counsel.

BY MR. KAPLAN:

Q I ask you to turn to turn to page 3 of the exhibit. It's the last page. The second-to-last paragraph from the bottom states that some of the funds, as shown in the attached materials, were deposited to the account of Lake Resources, Inc. at Credit-Suisse Banque in Geneva, at the request of Lt. Col. Oliver L. North.

And I'll skip the sentence and go down to the last sentence in that paragraph which reads: "However, we were assured by him at the time, that the funds were to be applied solely for humanitarian assistance."

And my question is, did you believe that to be an accurate statement when this report was written in February

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1987?

A Yeah, but I've got to tell you that I rue the day I wrote those final five words.

Q And can you tell me why you rue that day.

A Because I should have said "were used for non-lethal assistance" and that would have been a far more accurate characterization.

Q Didn't you have an understanding, either from Colonel North, or from Mr. Channell or Mr. Conrad, that at least some of the monies solicited were intended for the purchase of lethal supplies?

A Well, specifically, Mrs. Newington's contribution was for surface-to-air missiles. Later, in that period of time, that she gave the final contribution, the helicopters seemed to be active, and there seemed to be little indication that there were missiles on the ground to counteract them.

And the news accounts indicated that the number of missiles that the resistance had was still low. And I raised the issue to Colonel North, asking him in effect where were the missiles, and he said they needed missiles, but they needed these more. And he pulled out a brochure of radios, some kind of secure, encrypted radios of some sort, and told me that that money had been spent on radios.

So with the missiles removed from the matrix, I felt quite comfortable with the characterization you see in

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this because the other money was used for the heavy lifting and the air resupply operation.

Q Now you testified this morning that you plead guilty to a one-count information, in part based on activities in which NEPL's tax-exempt status was used for the solicitation of money intended for the purchase of lethal supplies.

And is that a fair characterization of your testimony this morning?

A Yes.

Q And am I mistaken in my belief that that characterization--well, your testimony is somehow, or another, inconsistent with the statement in this report about which we were just talking?

MR. DUDLEY: I'm not going to let him answer a question like that. Come on.

MR. KAPLAN: Are you going to instruct him not to answer?

MR. DUDLEY: Yes.

MR. KAPLAN: Can I ask you to state for the record the basis for your instruction.

MR. DUDLEY: Because the question of whether you are correct in drawing inferences you want to draw about consistencies is not something that he's in a position to comment on.

MR. KAPLAN: That's fine. I'll rephrase the question.

BY MR. KAPLAN:

Q Is your testimony this morning consistent, the statement in the report, that is, Deposition Exhibit 17, about which we've just been talking?

A I don't think it's consistent or inconsistent. This was a report to Mr. Channell on expenditures. The information that you've asked me about and the guilty proceeding that took place were not about expenditures. They were about the means to raise the money for that effort, and there's a diametric difference between the two.

And that I think you need to be clear on because this report is an attempt to codify for Mr. Channell the expenditures that we undertook. So that statement is about expenditures, and with the surface-to-air missiles removed from the matrix, there was nothing left, to my knowledge, of a lethal sort.

Q I don't want to get into a semantic argument with you, but in looking at the statement to which you're referring, I don't see the term "expenditures." What I see--and we'll quote it again--is "We were assured by him--that is, Colonel North--at the time, that the funds were to be applied solely for humanitarian assistance." That is, were to be applied.

And what I'm asking is, is that consistent with your testimony this morning, that you plead guilty to a one-count information because of the fact that you considered NEPL's tax exempt status to have been misused with respect to solicitations intended for the purchase of lethal supplies.

MR. DUDLEY: Despite your disclaimer, Mr. Kaplan, that question is absolutely nothing but argument. You can make that argument, if you want to make that argument. If you think they're inconsistent, fine.

MR. KAPLAN: I asked a question, and I would like an answer to the question.

MR. DUDLEY: I object to the question.

MR. KAPLAN: All right. Could you please read the question back?

MR. DUDLEY: It'll take him a long time.

MR. KAPLAN: That's fine. I've got plenty of time.

REPORTER: "I don't want to get into a semantic argument with you, but in looking at the statement to which you're referring, I don't see the term expenditures. What I see--and I will quote it again: 'We were assured by him'--that is, Colonel North--'at the time that the funds were to be applied solely for humanitarian assistance.' That is, 'were to be applied'.

"And what I'm asking is is that consistent with your testimony this morning? You plead guilty to a one-count information because of the fact that you considered NEPL's tax exempt status to have been misused with respect to solicitations intended for the purchase of lethal supplies."

MR. DUDLEY: I further object to the question on the grounds that having had it read back to me, I don't understand it. It's incomprehensible. And that it's been asked and answered.

MR. KAPLAN: I'd press the question.

MR. MILLER: I think I've told you two things that are a direct answer to your question, the first of which is I rue the day I wrote those five words. And the second is that again this was a report to Mr. Channell on expenditures, not a report on the solicitation of items. And with those two things, I think I have fully answered your question.

MR. KAPLAN: And is it your testimony today that the statement which we have been focusing on is consistent with your guilty plea in May of this year?

MR. DUDLEY: I'm not going to let him answer it a third time. That's about all the answer you're going to get.

MR. KAPLAN: He hasn't answered it yet. You instructed him not to answer it the last time.

MR. DUDLEY: I have not instructed him not to answer it. I now am instructing him not to answer it a third time.

MR. KAPLAN: On what basis? I'd like your basis stated for the record.

MR. DUDLEY: That it is abusive and repetitive.

MR. KAPLAN: I don't understand that to be a basis for an instruction not to answer. I would direct the witness to please answer the question.

MR. DUDLEY: You don't have the power to direct him to do anything.

MR. KAPLAN: Let's go off the record.

BY Mr. KAPLAN:

Q Mr. Miller, can you explain to me what IBC's role was in connection with various White House briefings that were set up by NEPL contributors or potential contributors throughout 1985 and 1986?

A We would contact the appropriate office in the White House when Mr. Channell determined that he wanted to give a briefing to his contributors. We would provide the basic background materials for the White House office that would then make the memorandum recommending the meeting. We provided suggested talking points, suggested schedules, proposed dates, and associated audio-visual materials.

And we then worked with the NEPL organization to coordinate schedules for arrival, clearance into the building, escort to the room, and departing the building and reassembling the group in whatever the location was that Mr. Channell then had a subsequent meeting in.

Q With whom in the White House or the administration did you deal in coordinating these briefings on that side?

A Primarily the Office of Public Liaison, Linda Chavez, Linas Kojelis, Pat Buchanan's office. And we kept Colonel North informed--I at least kept Colonel North informed--of the briefings. And in some instances we asked specifically for him as a briefer.

Q Who put you in touch with the Office of Public Liaison in the White House?

A Nobody.

Q Did you know Linda Chavez?

A I had met her before, and I was known to the people in the White House Public Liaison Office.

Q Did you know Mr. Kojelis?

A Not before a meeting with him in preparation for one of these meetings.

Q Did Colonel North help to facilitate or coordinate these White House briefings?

A I think the first one he--I can't recall specifically, but I think the first one we asked directly of his office for a briefing. And then subsequently we just simply started doing it to the Office of Public Liaison. But I think the first request went directly to his office.

Q Are you aware of memoranda that Colonel North would write to the Office of Public Liaison or White House counsel in connection with coordinating these briefings?

A I don't have a specific recollection of any documents like that right now.

Q What about one-on-one meetings between contributors to NEPL and President Reagan?

A Well, in regards to Mrs. Newington, we provided to the State Department specific items of Mrs. Newington's past political efforts on behalf of the president on the issue, and that became ultimately a McFarlane memorandum to the scheduling office. And I think the officer in charge--actually the officer on that memorandum was probably Colonel North.

Q And do you recall having drafted a memorandum for Mr. McFarlane to send up the line requesting a presidential one-on-one meeting or photo opportunity with Mrs. Newington?

A I drafted a fair amount of the text of that memorandum and a subsequent listing of her contributions.

Q What about other meetings that the president had one-on-one or photo opportunities with NEPL contributors? Did you have a role in coordinating those meetings or photo opportunities?

A Well, my role was that--it was an IBC responsibility to make those things happen.

Q And who at IBC was principally responsible to carry out that IBC responsibility?

A Let's not get into another semantic argument. I was principally responsible, since I am and was the lead on the client. I used in that endeavor David Fischer and Marty Artiano and their contacts within the White House offices.

Q What about one-on-one meetings between NEPL contributors and Colonel North? Did you have a role in arranging those?

A Yes. In fact, initially I was the only one responsible for arranging them until late '86, when Dan Conrad attempted to insert himself in the process and then also Mr. Channell. In both instances it was resisted by Colonel North, and there may be a couple of meetings which Mr. Channell then subsequently set up, but I'm not conversant with the details.

Q In what period would that have been in which Channell or Conrad set up meetings directly with North for NEPL contributors?

A It would have to be in late '86.

Q Late '86.

A Yeah. Okay.

Q Is it your understanding that every one-on-one between Colonel North and NEPL contributors prior to late '86 was arranged by you?

A Yes.

Q Just off the top of your head--I'm not asking you to give me an exhaustive list--what NEPL contributors do you recall having met one-on-one with Colonel North?

A Barbara Newington, Fred Sacher, David and Paula Wurm, Edmund Brandon, Dr. Marietta Keywitz, Barbara Christian-Bullitt, Thomas Claggett, Patty Beck. That's all I can remember right now.

Q Were you involved in arranging the one-on-one meeting that Colonel North had in March of 1986 with a William O'Boyle?

A Yes. It was one, as I recall, of a series of meetings. And the initial meeting was one of that series, and I'm the one that arranged the series with Fawn on Colonel North's schedule.

Q Did you tend to arrange one-on-one meetings with Colonel North following the briefings to which we have referred?

A I'll accept the word "tend", because generally what would happen is that after Mr. Channell had the day's program and the evening dinner that it was associated with the Central American Freedom Program, he would have then identified anywhere from one to six or seven people who wanted to participate in the assistance effort. And those were the individuals that were then scheduled to see Colonel North.

There were, however, other meetings which had nothing to do with events here in Washington, more general Central American freedom program briefings, such as the meeting with Mrs. Newington in Connecticut.

Q You're talking about the weekend trip, okay. We'll get to that in a minute.

Back on June 23rd, where you covered your knowledge of solicitations of Mr. Ramsey and Mrs. Newington, and then earlier today we covered a couple of additional notes about the Ramsey solicitation in June of '85, and the subsequent mailgram that went out to Mr. Channell.

In connection with the Newington solicitation in November of 1985, about which you previously testified, I am going to ask the reporter to mark as Exhibit 18 a copy of a set of handwritten notes, and ask you if you can identify those notes?

A Yes, they are my handwritten notes.

(Exhibit No. 18 was marked for identification.)

BY MR. KAPLAN:

Q Were these notes written in preparation for the solicitation of Mrs. Newington?

A Yes.

Q Can you explain the circumstances of the context in which these notes were written?

A These were the precise things that Spitz Channell wanted Colonel North to say to Mrs. Newington.

Q The amount that's listed at the top of the page

$1.2, is that correct?

A Correct.

Q Was that the amount for which you understood Mrs. Newington was going to be solicited?

A Yes.

Q Was she in fact solicited for that amount?

A I think at this point she had actually already been solicited to some degree, and I think she had made this commitment to Mr. Channell, or was about to make this commitment to Mr. Channell.

(Witness and attorney consult.)

THE WITNESS: There's a squiggle line down through the middle of the page that goes to November 1, January 1, February 1. And the reason I said what I just said to you is I don't recall whether that was written at the same time these other items were written down.

BY MR. KAPLAN:

Q I see.

A And that may well be the reflection of a later conversation with Mr. Channell.

Q So it could well be that the actual amount and the breakdown of $400 times three was written sometime after this solicitation to which you testified on June 23rd and referred to earlier today?

A It's possible that those three items listed as

November 1, January 1, and February 1, each for $400,000, may have been written at a different time.

Q When we say a different time, we're talking about a different time from the notes that are on the bottom half of the page?

A Correct.

I think you only used the word "possible," and I want your record to reflect that. I'm really not that clear.

MR. DUDLEY: I think you misspoke. You characterized that word as November 1, when I believe the word is "now."

BY MR. KAPLAN:

Q Can you read into the record, Mr. Miller, the handwriting on the bottom of the page that starts with the word "green"?

A It's "Green dash now working a year on this program."

Second item, "most secure person we know in the U.S."

Third item, "We are asking you to take on a project that requires your kind of person."

Q Now, do you recall the circumstances under the contact in which those notes were written?

A Those were elements of a conversation that Mr. Channell hoped Colonel North would have with Mrs. Newington.

Q And this conversation between you and Channell took place prior to the Newington solicitation?

A Correct.

Q I take it the green refers to Colonel North?

A Correct.

Q Did you relay this proposed pitch, if you will, to North?

A I don't recall relaying it to him, and I don't recall him using it.

Q Is it possible that you relayed this pitch to North in a bit softened form?

A That's possible. But again I don't have a specific recollection of a conversation with him.

Q You testified a moment ago as to a weekend trip to Mrs. Newington's.

Do you recall when that trip took place?

A Not specifically. I remember it was chilly, and I don't think there were a lot of leaves on the trees. That's about the best I can do to give you a specific time. I don't have it in my calendar.

Q Who accompanied you on that trip?

A Colonel North, his wife Betsy, his son, and his youngest daughter.

Q How did you make the travel to Mrs. Newington's in Connecticut?

A We went by chartered jet.

Q Who paid for the jet?

A I assumed it was Mrs. Newington or Mr. Channell, I don't know which.

Q What was the purpose of that visit?

A It was billed to both Colonel North and myself as a picnic at Mrs. Newington's, a chance for Colonel North to get away. He was, by everybody who saw him's account, fairly frazzled and exhausted, and it was billed as an opportunity for him to relax and be with his wife and children.

Q Was Mrs. Newington solicited funds during that weekend?

A Yes.

Q By whom?

A By Mr. Channell.

Q Was that solicitation in Colonel North's presence?

A It began somewhat in Colonel North's presence.

Q Do you want to just describe it?

A Yes. We had been there a day. I think we'd finished -- we had dinner the night before and slept the night and had breakfast the next morning. And Ollie was sitting out on the porch area by the pool, just kind of relaxing. And Spitz asked me to come with him and Barbara Newington over to the place where Colonel North was sitting. And he asked Colonel North to give Barbara a description of the way things were going on the ground in Nicaragua.

I got the feeling that he was somewhat disturbed by having to do that. He didn't really think that to be the purpose of his being there. But he agreed to do it, and described to her the general situation on the ground for the resistance fighters.

And Spitz then asked Ollie what it is going to take for the next -- I've forgotten how many months -- how much does it cost a month to keep their operation going? And Ollie's response was $2 million. And at that point he was beginning to be agitated, and he simply got up and kind of walked away. It was clear to me that he did not want to be put in the position he had just been put in.

And then Mr. Channell asked Barbara Newington to please help. And she agreed.

Q Tell me what you know about a solicitation of Nelson Bunker Hunt that occurred sometime in early September 1985.

A Mr. Channell had gotten a contribution from Mr. Hunt somewhere in the neighborhood of $475,000. But it was a little unusual. It had come as a 230 some thousand dollar contribution, and then a like amount as a loan. And the way it was left with Mr. Hunt was that that was a loan so Mr. Channell could use that money while he raised money from other people to repay it.

Mr. Channell didn't believe in spending money he didn't have in the bank, and he didn't believe in going into debt in fund raising so he refused to spend that money and he kept it in the bank.

Then Mr. Channell asked that I call Colonel North and ask him to call Bunker Hunt, and to explain to him that the 22 hundred and 30 some thousand dollars had gotten where it was supposed to go, and that specifically that the supplies were getting to the Nicaraguan resistance.

I think that Mr. Hunt was under the impression that he had given money for aerial supply operations.

Q Were you aware that Colonel North had flown to Dallas to meet with Mr. Hunt sometime prior to Mr. Hunt's having committed the $475,000 as a part loan, part contribution to NEPL?

A I'm aware that Spitz Channell and Ollie North met with Mr. Hunt at a dinner in Dallas that was for resistance figures from around the world. I've forgotten who the actual sponsor was, but it was a political event which several hundred people went.

Q Are you aware that at or around that time Channell solicited Hunt for the money that resulted in the 237.5 contribution and the 237.5 loan?

A Until you mentioned it just now, I had never put two and two together, but you're probably right.

Q I am going to show you a copy of what has already been marked as Deposition Exhibit No. 6. It's a note which you've testified before is dated 9/18/85, that is September 18, 1985.

The number two item on that note says "Green is to call Bunker."

To the best of your recollection, is that the phone call to which you were just referring?

A Yes.

Q And No. 4 on that note says "Reagan thank you."

Does that refer to the contribution and loan that you understood Hunt to have made?

A No. I think that's a thank you to Spitz Channell.

Q Okay. No. 3 on the list, which is crossed out, says "Bunker with RR call or" -- and I can't read the last -- "call or visit," I think it says.

Do you recall what the source of that note is and why it's crossed out?

A These are all things that Mr. Channell wanted. He wanted Bunker to have a meeting with the President or call from the President.

Q Did you take any action to get Mr. Hunt a meeting with the President or a call from the President?

A On this specific request, I don't think I took any action because there's a line drawn through it. And that usually means that I just -- it's something out of hand or, for one reason or another, I just didn't do it.

Q And then you testified that Nos. 7, 8 and 9 were probably written at some time different than Nos. 1 through 6 on that note.

A That's correct.

Q And 7, 8 and 9 --

A They're in different colored ink even on the original.

Q And 7, 8 and 9 were written in connection with a phone conversation I believe that you were having with Colonel North, is that correct?

A I don't think it was a phone conversation. It was a conversation nonetheless.

Q Was it a meeting, a face-to-face meeting?

A It may have been, but it was a conversation.

Q Okay. I believe it is also accurate to say that the entries 7 and 8, one of which refers to weapons, and the other which refers to Maule aircraft, I believe, were, at least to your knowledge, items provided to you by North with his knowledge that those items likely would be used by Channell in fund raising for the contras?

I didn't mean to confuse you there. I'm just trying to sum up your prior testimony without having to take you through it again.

A Well, let me give it to you just very short and sweet.

Those were items that I discussed with Colonel North when Mr. Channell was trying to identify big ticket items for which he could raise funds.

Q Colonel North understood that these items and these prices would be used by Channell in connection with his fund raising efforts on behalf of the contras, is that correct?

A These were items in a discussion about that. I don't know that we ever came -- I know that the Maule became something which we raised money for. We never raised 415,000 specifically for weapons, C4s and M17s.

Q But, nonetheless, again I'm not trying to trick you. I think you testified about this before.

Nonetheless, when North provided you with these big ticket items, he understood the reason why he was giving you big ticket items was for Channell to use in fund raising?

A That's correct.

Q Mr. Miller, do you recall --

MR. DUDLEY: Can we go off the record a minute?

MR. KAPLAN: Sure.

(Brief discussion off the record.)

MR. DUDLEY: With respect to the basis of the discussion off the record, we have agreed that, with respect to Deposition Exhibit 6, which is a document produced by us in response to subpoena, our date stamp number is 004375, and the Committee's document identification number RM000971, that that portion of that page, after the first nine items, and beginning 9/20/85, is material that relates to clients of IBC other than anything -- it had nothing to do with this investigation, and that we will supply the Committee with a redacted version of this document for purposes of attachment to the deposition and for purposes of the Committee's permanent records. And we had intended to redact that material at the time of production.

MR. KAPLAN: And I will just state for the record that on behalf of the Senate Committee, and I am sure I speak for Mr. Fryman on behalf of the House Committee, we will make all best efforts to make sure that the properly redacted version does indeed replace the version with which we've been supplied to date. I only caution that we can't guarantee every single copy that might have been made in the process of the months of investigation that have preceded after production of this document.

MR. DUDLEY: I understand that, but I appreciate your willing to supply right now.

BY MR. KAPLAN:

Q Mr. Miller, do you recall a time in January of 1986 when Mr. Channell returned an intended loan of $237,500 to Bunker Hunt?

A Actually I think Bunker Hunt forgave the loan. So, in effect, he made two contributions.

Q That's your understanding?

A Right.

Q How did you arrive at that understanding?

A I believe Mr. Channell told me so.

Q And do you recall a phone conversation with Colonel North in early January in which you told him that Bunker Hunt promised $237,000?

A I don't recall it, but it's entirely possible. I'm sure I reported the results of his phone call to him.

Q This would have been several months after that phone call I take it?

A I don't think any of this moved very quickly. I think it took a fairly long period of time.

Q Did you ever participate in obtaining a letter from the President to be sent to Mr. Hunt thanking him for his support without expressly mentioning the money contribution?

A I believe Mr. Hunt was one of the individuals who got letters, general thank you letters for their participation in the Central American Freedom Program. And those names would have been provided to me by Mr. Channell.

Q How would you go about obtaining letters or making sure the letters got sent from the President to the various NEPL contributors as Channell requested?

A We would draft a potential letter, submit the names generally to Colonel North. As you were asking your question, I was trying to remember whether there was anybody else that we sent requests to when we may have sent requests to the President's special message list. There's an office that's associated with the White House that handles these types of letters of thank you to people.

Q Was North generally the switching point for these letters from the President to the NEPL contributors?

A Yes.

Q Did you also, on a number of occasions, draft thank you letters from North to those same or other NEPL contributors?

A Yes.

Q Did Mr. Fischer or Mr. Artiano play a role in obtaining letters from the President to NEPL contributors?

A I don't recall any specific instances when they did.

Q So it was all done through you and through Colonel North, and then whatever else had to be done in order to have the President sign the letter and send it to a contributor?

A That's correct.

Q Do you recall attending any NEPL dinners in which Mr. Channell showed to NEPL contributor or potential contributors letters he had received from President Reagan thanking him for his support?

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A Sure.

Q Was that something that he generally did?

A Yes. Not just at dinners but in solicitations.

Q Is it fair to say that Channell used these letters for fund raising purposes?

A I think it's legitimate to say that Channel used them as evidence of his past programs. They were all retrospective letters thanking him for past programs which he had funded and executed.

Q Then he did use the letters at these dinners that often would follow the briefings and, as you just mentioned, in solicitations of particular individuals?

A Well, what he would do is he would take the letters and make them part of a general package of information that the people would have at their seats. And the package would also contain documents about the Soviet-Cuban military buildup, of terrorism activity by the Nicaraguans, a map of Nicaragua. In one instance, we put a book from a New York Times reporter in there.

But he would put these letters that were thank yous for past programs in the same packages.

Q How did Channell come by these letters? Was it the same process by which you worked getting letters to NEPL contributors from the President? Would Channell make a request to you for a thank you letter from the President and

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you would then convey that to North who would then work it up through the White House channels and eventually get the letter issued?

A There were a couple of instances in which it was done that way. But often it was just because somebody at the White House properly triggered it, the Political Office saw the ads on television, or Channell was asked to come and participate in a meeting at the White House in which people were asked to help on the issue, that type of thing.

Q Is it possible that North would have triggered thank you letters to Channell or to other individuals without your knowledge?

A Sure.

Q Tell me what you know about the solicitation of Mr. O'Boyle in late March of 1986.

A I know very little about it. All I know is that he was brought down by Jane McLaughlin, and that his first contribution was $100,000. That's all I know.

Q Is it possible that his first contribution was $130,000?

A Possible. I think there's a commission paid to somebody in there. I'm not sure.

Q Did you arrange the one on one meeting between O'Boyle and North or the series of meetings?

A Well, again, I think the first one was one of several meetings that took place over the course of an evening and the next morning. I don't want to say evening or next morning. Anyway, after the next day after Channell's Central American Freedom Program briefing and dinner that evening, there were meetings with Colonel North one on one with people who wanted to provide assistance money. And he was one of them I think.

Q When was that meeting arranged if you can recall?

A I don't recall specifically.

Q Was it prior to the briefing?

A I don't think so. I think it was after the briefing.

Q Do you think it was at the dinner after the briefing?

A I think it was after the dinner after the briefing.

Q Who asked you to arrange that meeting?

A Channell.

Q Channell did.

Tell us what you know about the solicitation of Mrs. Garwood that occurred in April of 1986, if you know anything?

A I don't know anything about it. When was it?

Q April of 1986.

A I'm not familiar with it.

I can't say that I don't know anything about it. I think Mr. Channell told me that Mrs. Newington, or Mrs. Garwood was giving a million something, I think it was a million and a half. And I recall that I got a phone call from him about it, but I don't recall much more than that.

MR. MILLER: I was not there. I was here in Washington.

BY MR. KAPLAN:

Q I think when we went off the record, we were in the middle of an answer that you were giving. I had asked you what your knowledge was of an April 1986 solicitation of Mrs. Garwood.

A I think I had finished the answer.

Q Do you recall anything about the solicitation of a Mr. C. Thomas Claggett?

A Yes. I sat in the room with Colonel North and Spitz Channell and somebody else. I can't remember who the somebody else is. It may have been Chris Littledale or Chris Smith. And Colonel North described to them what was going on down in Nicaragua in terms of battlefield activities. I think he even got up and showed them a map.

I don't think I stayed for the whole meeting. Either that, or according to the press reports, Mr. Claggett and I went to two different meetings.

Q Did you arrange the meeting between Colonel North and Mr. Claggett?

A Yes.

Q Were weapons discussed in your presence at that meeting?

A I don't recall weapons being discussed at that meeting.

Q Let's go back and clarify the record on one point. It seems that you and I have a different view semantically of the word solicitation and that you view solicitation in what may well be a proper fashion--the dictionary definition of when did someone ask for money. And I have been speaking of the term solicitation as sort the overall transaction without any particular purpose other than as a shorthand.

I think that's what gave rise to the difference we had as to any testimony you gave today was supportive of or possibly inconsistent with testimony you gave back on June 23 with respect to the transaction by which Mrs. Newington eventually was solicited for funds for some lethal supplies.

Is it fair to say that you stand by the testimony that I read to you from June 23?

A Yes.

Q And is it fair to say that Colonel North was present in the room and indeed participated in a discussion with Mrs. Newington about lethal supplies that were needed by the contras?

A Yes.

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Q Just to make the record complete, as part of your standing by your testimony on June 23, in that testimony I believe you stated that you didn't recall specifically whether Colonel North was in the room when Channell asked Mrs. Newington for money to provide those supplies. Is that correct?

A That is correct.

Q And I believe you further testified in that regard that if he was absent from the room, that would not have been unusual because it was his general practice to leave the room before Channell actually asked a contributor to pay over funds.

A That's correct.

Q Then we are in complete agreement as to what your testimony was then and is now. I apologize if my use of the term solicitation threw you off in any way.

A No apology necessary.

Q Thank you.

Are you aware of any arms list or purchase list other than the big-ticket items list that you have described before that was used by Channell in his solicitation or fundraising from certain individuals?

[Witness and attorney consult and brief recess]

MR. DUDLEY: Could we just have the question again to make sure we got it in mind?

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<Pending question read back>

MR. MILLER: Yes.

MR. KAPLAN: Could you describe the list?

MR. MILLER: I was shown by the independent counsel some time in May--early May--a list that Mr. Channell had used to solicit John Ramsey for a contribution, and it was a Spanish-language list of captured armaments captured by the Nicaraguan resistance forces. And Mr. Channell in his letter to Mr. Ramsey held it out as a list provided to him by Adolfo Calero of weapons needs.

That was the first time I saw it used in that context. I am quite familiar with the list that came up of captured articles. It is one way that the Nicaraguans report to the media and Congress and the administration about their level of battlefield success.

MR. KAPLAN: I'm going to ask the reporter to mark as Exhibit 19 a copy of a handwritten document that was provided to us by your counsel.

[The document referred to was marked for identification as Miller Deposition Exhibit No. 19.]

BY MR. KAPALN:

Q I ask you if you recognize that handwriting.

A Yes. It's my handwriting.

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Q Do you recall the circumstances under which these notes were made?

A They were to-do items. I think most of them are reflective--maybe all of them--but at least most of them are reflective of a conversation with Channell or Dan Conrad, and I'm not sure which one.

Q You see item number one in this note which is dated February 5, 1986 reads, "Ollie's new purchase list".

A Yes.

Q Do you recall what that notation refers to?

A Yeah. I think that refers to the fact that Mr. Channell felt that he had fulfilled the big-ticket item list that had been provided to him and that there was a need for a new purchase list.

Q Did you ever speak to North to provide you with a new purchase list?

A I don't at the moment recall whether I had a specific conversation with him, but I don't think we ever produced a new purchase list.

Q Did North ever provide you items along the lines of the earlier exhibit we discussed for Channell's use in fundraising?

A Did Colonel North ever provide--

Q Did he ever provide you with prices and items subsequent to this date that Channell could use in his fundraising?

A Not subsequent to.

Q Just very quickly--numbers four and five refer to a dinner for Newington " . . . and Ollie at the Newington/RR meeting." Do you know what those notes refer to?

A Spitz wanted to have a dinner for Mrs. Newington honoring Mrs. Newington, and he wanted Colonel North to attend Mrs. Newington's meeting with the president.

Q Did that meeting come about?

A Mrs. Newington had two meetings with the president.

Q One, I take it, was in November of 1985.

A Yes, I believe that's correct.

Q And was the other one subsequent to this note?

A I believe so, yes.

Q And was it set up pursuant to Channell's request as reflected by this note?

A It was set up pursuant to Channell's request. I'm not sure if this note is reflective of that. It simply--you're right. It's reflective of it. He had requested a meeting with Mrs. Newington and the president.

Q Just to make sure I didn't miss anything, these notes--that is, Exhibit 19--were taken from a conversation that you had with Channell.

A Correct.

Q What knowledge, if any, did you have of a project at

NEPL that was called the "toys project"?

A Aside from the subsequent Jane McLaughlin charge and Channell public response to it, I don't have any other knowledge of it.

Q So you learned about the toys account at the same time that the reading public learned about it--the "toys project".

A Yeah, but again I would think--yes.

Q Did you learn about the "toys project" from the press?

A I learned about the use of the words "toys project" or "toys fund" or whatever from the press, but I was aware of a similar activity to it--an activity similar to it earlier. And I had heard the word before.

Q So that during the time that you were engaged in contra assistance with NEPL and with Colonel North, you were aware that NEPL had a project which they designated funds intended for the purchase of weaponry or lethal supplies. Is that what you're saying?

A No, that's not what I'm saying at all. I knew that there was an effort around Christmas of 1985 by Mr. Channell to raise money specifically for Christmas for the Nicaraguan freedom fighters' families.

Q Did you have any awareness that there was a project that was called "toys" within NEPL that was considered by people at NEPL to be the project to which contributions intended for the purchase of lethal supplies would be designated?

A No.

Q When was the Institute for North-South Issues created?

A I believe it was started in February of 1984.

Q 1984?

A I believe that's correct.

Q Why was INSI created?

A It was Frank's belief--Frank Gomez's belief--that there needed to be an organization that encouraged cultural and educational exchange between the northern and southern hemispheres in that you have the wealthier nations--the have and have-not nations, the third world and the developed world.

Q When did Gomez leave the State Department?

A Well, I don't know when his actual retirement date was, but I think it was like the last week in January--formal retirement was then.

Q Was INSI one of the first projects in which Gomez engaged when he left the State Department?

A He set it up fairly soon after leaving the State Department, but it didn't even begin any activities until much later.

Q Were you involved in the formation of INSI?

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A I was the treasurer at the formation of INSI.

Q Did you hold any other position in INSI at any other time during its existence?

A I don't think so.

Q Do you recall when INSI received a letter of determination of tax exempt status from the Internal Revenue Service?

A All I recall is it took a very long time to receive it. There was some wrangling between our attorneys and the Service, and it seemed to all hinge on procedural matters and not substantive matters. But it ultimately was resolved, and we got--we actually got a more restrictive but a better status from a tax point of view than we expected originally.

Q Whose idea was INSI?

A Frank's.

Q Do you recall a conversation with Colonel North on February 1, 1985 in which you and he discussed INSI?

A February 1 of '85?

Q Yes.

A We probably had a discussion at that point.

Q Was INSI an idea of Mr. Gomez's before he actually retired from the State Department?

A Are you saying February of '84?

Q No, February of '85.

MR. DUDLEY: I don't think he's asking with

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reference to a date.

MR. MILLER: I don't know. I think it was, but I'm not sure. I think you should ask him.

BY MR. KAPLAN:

Q Do you recall the context in which you would have--in which you did discuss with Colonel North INSI in early February of 1985?

A My problem is that he pegged it to a specific date, and I can recall a couple of conversations with him about INSI, and I'm not sure exactly what the time frame was.

Q Why don't you just tell me about those conversations.

A He or Bob Earl--I've forgotten which--called one time and asked for a list of non-profit organizations associated with I think the quote was "our side of the issue"--supporting the president on Nicaragua. And I produced that list for them.

And I would say that was some time prior to June of 1985, because it only lists the American Conservative Trust and doesn't list NEPL. And INSI was on that list.

I then also at another time was asked by Colonel North to get in touch with Roy Godson--that Godson had a contributor who wanted to make a contribution to the resistance. I went and met with Mr. Godson.

He informed me that this individual did not want to give money to Spitz Channell. He used his name specifically. And that this individual was looking to provide money for political activities.

I was left with the distinct impression that the individual was interested in supporting the political activities of the resistance.

Q I'll get to that transaction in a moment. I want to stick with early 1985.

Do you know why or were you told why Earl or North asked for this list of tax exempt organizations that were "on your side"?

A Maybe, but I don't recall now what the reason was.

Q Who is Jimmy Lyons?

A I don't really know. I know he's a very wealthy individual who is associated with the conservative movement. That's about all I know about him.

Q Did you have discussions with Colonel North in early 1985 in which money--in which the idea of conveying money for contra assistance through INSI was discussed?

A In what time frame?

Q Early 1985.

A Early 1985. We may have, in reference to--we may have discussed it in reference to al-Masoudi.

Q This would have been--I'm talking about a period prior to the al-Masoudi referral.

A I don't recall any specific conversations about using it as a conduit for funds to the Nicaraguan resistance. I remember a general impression that he had that it could be used, and I was required later to dissuade him on that. But I don't remember the specifics of how he came to understand that.

Q Why was North told about INSI and its tax exempt status? Why did you bring that up in conversation with him? Why would you have brought that up in conversation with him?

A I don't know. I mean, I don't remember the conversation, so I don't recall any elements of it.

Q Do you know a Warren Hendricks?

A Yes.

Q Who is Warren Hendricks?

A Warren Hendricks works for Clement Stone.

Q Do you recall a conversation with Colonel North in which the names of Warren Hendricks and Clement Stone were discussed?

A I talked to Warren Hendricks on one occasion.

MR. DUDLEY: Don't think out loud; answer his question.

MR. MILLER: It's specific to his question, but I haven't recalled it before right now.

He was being asked for money, and he turned it down. He didn't even talk to Clement Stone about it. He--

Hendricks--turned it down.

BY MR. KAPLAN:

Q What was the purpose of the request for the money, if you recall?

A I can't recall.

Q Who asked him for the money?

A I did. He may have talked to Warren Hendricks.

Q Who is he?

A North may have talked to him. I'm sorry. I'm recalling this for the first time, so it's sketchy, at best. It's a long process, as you're aware.

Q What was the purpose of the money--contra assistance?

A It had something to do with the Nicaraguan issue, as I recall.

Q And you mentioned earlier that there was a time when you had to dissuade North from the idea that INSI would be used as part of a contra funding network. Do you want to tell us a bit about that?

A After the second transaction through INSI, there were two--the first for $100,000, the second for $60,000. I told him that we simply wouldn't do it anymore.

Q Again, back to the time frame in early 1985--was there a conversation with North that you recall in which the idea was discussed of using INSI to funnel money to the contras?

A Again, I don't have a specific recollection of a conversation.

Q When Mr. Hendricks was asked for money by you, was he asked to contribute to INSI?

A I can't remember what the substance of the contribution was. This may all be about the time of the Nicaraguan refugee fund dinner and when it was being put together, because it really got started in January. I think the meeting I attended was in late January, and it took until February or March for the dinner to come off.

Q Would money for the Nicaraguan refugee fund dinner have been solicited for contribution to INSI?

A It shouldn't have been.

Q You have mentioned earlier in your testimony a $100,000 contribution that was made to INSI from the Heritage Foundation. I'm going to ask the reporter to mark as Deposition Exhibit 20 a copy of what purports to be a letter to you from an Edwin J. Feulner, president of the Heritage Foundation, dated October 15, 1985.

[The document referred to was marked for identification as Miller Deposition Exhibit No. 20.]

BY MR. KAPLAN:

Q Do you recognize this letter?

A Yes.

Q Is this a letter which evidences the $100,000 contribution from the Heritage Foundation to the INSI, about which you just testified?

A Yes.

Q Can you tell us the circumstances under which this $100,000 was contributed to INSI?

A Well, as I testified earlier, I was contacted by Colonel North, who asked me to get in touch with Roy Godson. I called Mr. Godson and went to see him in his office. He told me that he had a contributor that wanted to make a very large contribution. I suggested that he give him Mr. Channell's organization name--allowed to make the contribution to Mr. Channell's organization.

He told me that the individual was not interested in making a contribution to Spitz Channell's organization and that he hoped there would be some other way the transaction could be handled. I told him I thought that was possible but that I would have to get back to him.

I went back and discussed it with Frank Gomez. I told Frank I didn't think it was reasonable for the foundation to be risked without some compensation to the foundation for the risk associated with it.

Q When you say the foundation, what are you referring to?

A Institute for North-South Issues.

And Frank agreed. I then went to see Colonel North and told him that INSI could accept the contribution but that it would charge a 20-percent overhead charge for administering the grant. He agreed that that was acceptable.

I went back to Mr. Godson and told him that his donor could make the contribution payable to the Institute for North-South Issues. I gave him the name and the address and so forth, and the next thing I got was a request for a proposal from the Heritage Foundation.

Q Did you understand the request for a proposal to be connected to the Godson donor?

A Yes. Not prior to receiving it, however.

Q How did you make the connection between the Heritage Foundation request for a proposal and the Godson offer of a contributor?

A Same dollar amount, same time period, same terms of reference.

Q Did you speak to Mr. Godson?

A Probably, but I don't remember specifically after that.

Q Did you know Mr. Godson before North referred you to him?

A No.

Q And did you subsequently make a proposal to the Heritage Foundation?

A I did.

Q Under the name of INSI?

A Correct.

Q And did the Heritage Foundation subsequently approve your proposal?

A Yes.

Q That approval, I take it, resulted in the letter and contribution that's evidenced by Exhibit 20.

A That's correct.

Q What did INSI do with the $100,000 contribution?

A It was transferred to IC, Inc. Well, $80,000 was transferred to IC, Inc.; $20,000 stayed in INSI.

Q What ultimately happened to that $20,000?

A Well, it went into the general account at IC, Inc. and was used for efforts that Colonel North--

MR. DUDLEY: He asked about the $20,000.

MR. MILLER: Oh, the $20,000.

MR. KAPLAN: The $20,000.

MR. MILLER: It was used for general administration--salary for the executive director, paper, xeroxing, and all the other things associated with all of that.

BY MR. KAPLAN:

Q Who was the executive director?

A At that point, Henry Quintero.

Q And the $80,000, I take it, went into the IC, Inc. account and was disbursed pursuant to instructions by Colonel North.

A Correct.

MR. KAPLAN: I'm going to ask that the reporter mark as Exhibit 21 a copy of what purports to be a Form 990 that was filed for the tax year 1985 by INSI.

[The document referred to was marked for identification as Miller Deposition Exhibit No. 21.]

BY MR. KAPLAN:

Q I'm going to ask you, Mr. Miller, if you can identify this Form 990.

A Yes. This is our Form 990 filed for the tax year 1985.

Q And is this Form 990 signed by you on the last page?

A Yes, it is.

Q It's signed by you in the capacity of treasurer?

A Yes.

Q I'm going to direct your attention to part 3.A. on page two of Exhibit 21 and ask you whether the $80,000 listed on the right-hand column of part 3.A. is the $80,000 that was transferred to IC, Inc. from INSI as a result of the $100,000 from the Heritage Foundation about which you just testified.

A It is.

Q And the description of that $80,000 reads that it came from the Heritage Foundation. It describes the Heritage Foundation, and then it states that "INSI . . ."--and I'm quoting--"managed a grant by Heritage to produce a study on foundation information services in the Caribbean and Latin America." Is it fair to say that that's not an accurate description of what that $80,000 was used by INSI for?

A It's fair to say that that's not a completely accurate characterization of what the $80,000 was used for.

Q You testified a bit earlier this afternoon that you rue the day when you wrote about five or six words that were contained in your February 1987 report. Do you also rue the day that you wrote that description of what INSI did with that $80,000?

MR. DUDLEY: I object. Whether he rues the day has no bearing. What's the point of a question like that other than sheer harassment? I'm hoping that Mr. Kaplan is going to respond to my inquiry.

MR. KAPLAN: I'm asking for an answer.

MR. DUDLEY: I want to know what the predicate for the question is. What is the basis of a question--what is the relevance of a question about whether he rues day he wrote something, to this investigation or any other investigation?

MR. KAPLAN: I was just using the witness' phraseology.

MR. DUDLEY: That's something he said about another thing, but that doesn't make it relevant to--

BY MR. KAPLAN:

Q Fine. I will withdraw the question, and I will ask whether you would describe what INSI did with the Heritage Foundation differently if you had it to do again today.

A Yes.

Q I really wasn't trying to harass you. I really kind of liked your turn of the phrase before.

Was there--you testified before about a subsequent contribution of $60,000 that also came through Mr. Godson to INSI.

A I believe it came through Mr. Godson, but it was certainly--I was made aware of it by either Mr. Godson or Mr. North, and frankly I can't recall which.

Q And was the $60,000 paid to INSI?

A Yes.

Q Do you recall who the contributor was in that instance?

A It was in our check ledger as Macaleer, and I have asked the bank for the cancelled incoming check which they would have a copy of, and they informed us last week that they did not keep a copy of it. Or rather, they have lost a copy of it. So I haven't been able to get my hands on it. You're not the only people in town that want it.

Q Do you recall when that contribution was made?

A It seems to me that it was right around the first of the year in 1986.

Q Do you recall what INSI did with that contribution?

A It transferred it immediately out to Lake Resources.

Q Has INSI filed a Form 990 for 1986?

A Yeah.

Q Do you recall how that $60,000 contribution that was then sent on to Lake Resources was treated on that Form 990?

A I think it's been amended since it was filed, and I think the amendment simply states that it was money for the Nicaraguan resistance at the direction of Lt. Col. Oliver North.

Q Has there been any attempt to amend the Form 990 that's been marked as Exhibit 21?

A No.

Q If it doesn't impinge on an attorney-client communication, can you tell us why there's been no attempt at amending that Form 990?

[Recess for witness and attorney to consult]

MR. KAPLAN: Can we go back on the record?

MR. MILLER: I don't know. There's really no answer to your question. I hadn't thought about it, frankly.

BY MR. KAPLAN:

Q When did you first meet Adolfo Calero?

A Some time in 1984.

Q In what context did you meet Mr. Calero?

A Frank set up a breakfast between himself, Adolfo Calero, and myself.

Q What was the purpose of that breakfast?

A To talk to Mr. Calero about the potential of IBC representing him in Washington.

Q Was Mr. Calero referred to within IBC by the name "Spark Plug"?

A Yes.

Q Who coined that name?

A Frank did.

Q Do you recall the derivation of the code name?

A Sure.

Q Why don't you tell us about it.

A Well, again, you try and make it something that has some relevance to his actual name, and his initials are AC, and AC is a spark plug, so that's why it was "Spark Plug".

Q Was one of the contra leaders referred to as "Clutch"?

A Yes.

Q Who coined that name?

A Well, since Mr. Matamoros was part of Mr. Calero's organization, we just continued the automobile convention, and he became "Clutch".

Q Mr. Matamoros was "Clutch".

A That's correct. I think I coined that one.

Q As a result of the breakfast among you and Mr. Gomez and Mr. Calero, did a professional relationship arise between Mr. Calero and IBC?

A Yes.

Q What was the nature of that relationship?

A We were the media relations and political consultants to the Nicaraguan Development Council, which again served the domestic interest of the resistance.

Q Was Mr. Calero at that time head of the Nicaraguan Development Council?

A I don't think you could use the word "head". He was certainly the principle beneficiary, as was his organization, of the Nicaraguan resistance.

Q From whom did IBC receive payment in connection with those services?

A Primarily from Mr. Calero, sometimes from Mr. Matamoros.

Q Was there an agreed-upon payment at the inception of the business relationship?

A Yes. Initially we were paid $3,000 a month, and then it became clear that they couldn't follow through on the level of increasing activity that our efforts were producing without more administrative help. So we asked for $5,000 a month, and under that contract we were responsible for providing a full-time employee in their office, the administrative details, the computer handling their distributions, and so forth.

Q When did that increase occur?

A I can't recall specifically.

Q Let's just get a few dates straight. When did the business relationship begin, to the best of your recollection?

A I want to say September of '84.

Q Do you have any recollection as to how many months into that relationship monthly fees were raised and you put an employee full-time into their office?

A Some time around the first of the year, I think. I think I've shortened this time frame. I think it was almost a year. I think it's about nine to ten months worth of activity. So it's probably somewhat earlier in the year than September. And the employee--maybe in September.

Q In September of what year?

A That would be September of '84.

Q You testified a bit earlier about an exhibit which was marked as Exhibit No. 11, which is a letter of authorization from Mr. Calero to Mr. Channell authorizing Channell to engage in fundraising on behalf of the FDN. Did you or anyone at IBC or IBC itself receive a fee for obtaining that letter?

A I don't recall receiving a fee.

Q From either Mr. Channell or anyone else?

A I don't recall receiving a fee to obtain that letter.

Q How were you paid by the Nicaraguan Development Council?

A Generally in traveller's checks, although a couple of times we received wire transfers.

Q Were they traveller's checks that were given to you by Calero?

A Yes. Sometimes ~~we~~ got them from Matamoros, but I don't think very many times.

Q Were they blank traveller's checks?

A They were totally blank--just a bank name, and everything else on it was blank.

Q Do you know why Calero didn't write the checks out to International Business Communications and sign them on the bottom?

A No.

Q Did you ever ask him why?

A I never asked, but my sense was that most of their activities were cash activities, and a blank traveller's check is as good as cash. And as a consequence, it was safer because it was not something that could be lost.

Q Did Colonel North ever give you any blank traveller's checks?

A I don't ever recall receiving traveller's checks from Colonel North.

Q You mentioned a bit earlier today that Jonathan Miller at one time waved some traveller's check, I think, in front of Frank Gomez as a show of good faith or something to that effect.

A It was in front of the Nicaraguan Meskito Indian Leader. Stedman Fogath or Diego Wycliff--I can't remember who it was.

Q Did you have an understanding as to where Jonathan Miller got those traveller's checks?

A He was in Colonel North's office suite at the time he did it. So I assumed they came from there.

Q But you yourself don't recall ever having received from North any traveller's checks that were provided to him by Calero or anybody else?

A I don't ever remember getting traveller's checks directly from Colonel North. There was one instance in a hotel room here in Washington where there was an exchange of traveller's checks between Dr. Calero and Colonel North, and we ultimately got some of those traveller's checks. That's the only time which that happened, that I can recall.

Q Can you describe that incident in a bit more detail so that we can have for the record a clear reflection of what took place in that hotel room? I guess you could start out by telling us approximately when that exchange took place.

A Well, it was in the evening. The exact date I'm not sure of. It was at the Henley Park Hotel. I either went there with Colonel North or I met Colonel North there. We went to Mr. Calero's room. Mr. Calero had a large envelope of traveller's checks. Knowing what I now know about their volume, I'd say it had to be at least $20,000 in traveller's checks. They had a discussion about names that seemed familiar to the two of them, and I believe Mr. Calero gave the traveller's checks to Colonel North.

And my reason for being there was that some of those checks were supposed to come to me. And the best recollection I have is that it was about the time I put Maritsa Herrera, the little girl, in Children's Hospital and took the money from my account to pay for that. It was $10,000 to Children's Hospital, and that may have been reimbursement for that.

Q When was that?

A It was right about the time of the Nicaraguan refugee fund dinner. In fact, she was there for the Nicaraguan refugee fund dinner, and her wound had not been attended to. And she was about to lose her arm, and I guaranteed her hospital stay to Children's Hospital.

Q So that would have been in April of 1985.

A That would be about--well, whenever the dinner was, so April, I guess.

MR. KAPLAN: Off the record for a quick minute.

MR. KAPLAN: I'm going to ask the reporter to mark as Exhibit 22 a composite exhibit which is comprised of several traveller's checks dated variously from I believe March 20 through April 18. I have only made two copies of these volumes.

[The document referred to was marked for identification as Miller Deposition Exhibit No. 22.]

MR. LEON: Can the record reflect a rough estimate of how many checks there are? How many pages would you approximate?

MR. KAPLAN: If I'm not mistaken, there are approximately $5,000 worth of traveller's checks that are represented by this exhibit.

MR. LEON: Are they all $100 checks?

MR. KAPLAN: Yes, I believe so.

Mr. Miller, you've seen these checks once before and actually, as I recall, had an opportunity to lunch with them and your counsel. I'm going to ask whether any of these checks refresh your recollection as to whether or not you ever--as to whether you ever received any traveller's checks from North that had been provided to him by Calero or anyone else.

MR. DUDLEY: Well, he's testified as to the incident at the hotel.

MR. KAPLAN: Right. That's correct. Other than that.

MR. MILLER: It doesn't refresh my recollection. Other than that, I can't remember an instance.

MR. KAPLAN: To the best of your recollection--and you've been through these checks once before--would these checks represent other than possibly the hotel incident, checks that were given to you directly by Calero as payment for services performed on behalf of the Nicaraguan Development Council?

MR. DUDLEY: Before he answers that question, I assume--but I would like your representation--that this is the same bundle of checks that he did look at.

MR. KAPLAN: This is the same bundle of checks that was reviewed by Mr. Miller a couple of months ago.

MR. MILLER: I would assume, since I got paid in traveller's checks and usually from a Latin American bank, that that's true. I never kept track of the traveller's checks after I cashed them.

BY MR. KAPLAN:

Q Did Colonel North ever ask you to cash traveller's checks for him?

A I don't ever recall being asked to cash traveller's checks.

Q Did Mr. Calero or anyone else ever ask you to cash traveller's checks and return the money to some party other than yourself?

A I don't recall doing that.

Q So it's your testimony that any traveller's checks here or that you received from Mr. Calero or possibly from North during that hotel incident which you described before--checks that would have been in payment for services performed by IBC on behalf of the Nicaraguan Development Council.

A That's my recollection.

MR. DUDLEY: Or reimbursement of hospital expenses.

MR. KAPLAN: Right. Or reimbursement of hospital expenses.

BY MR. KAPLAN:

Q Do you ever--do you recall having given Mr. Robelo cash in front of a hotel in Washington?

A Yes. I gave--I'm not sure whether it was cash or traveller's checks. And with the IRS right around the corner, I wish I knew the answer to that one right now. We paid his hotel bill one time, and I gave it to him in cash

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because they weren't accepting his MasterCard, as I recall. And it seems to me it was somewhere in the neighborhood of about $2,000 or $2,500 or something like that.

Q Do you recall when that transaction took place?

A No.

Q 1985?

A I really don't recall when.

Q Did North ask you to give Robelo the cash?

A Yes.

Q What was the source of the funds to which you gave Robelo?

A Would have been NEPL funds that Colonel North thought he had access to.

Q So it would have been some time after July 1985.

A Probably.

Q And some time before December 1986.

A Probably.

MR. KAPLAN: Let's knock off for today.

[Whereupon at 5:34 p.m., the deposition was concluded.

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CERTIFICATE OF NOTARY REPORTER

I, Terry Barham, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing transcript was duly sworn by me; that the testimony of said witness was taken by me and thereaftrer reduced to typewriting by me or under my supervision; that said deposition transcript is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

Terry Barham

Terry Barham, Notary Public in
and for the District of Columbia

My commission expires May 15, 1989.

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by D. Sirko, National Security Council

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SELECT COMMITTEE TO INVESTIGATE COVERT
ARMS TRANSACTIONS WITH IRAN
U.S. HOUSE OF REPRESENTATIVES
AND
SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION
UNITED STATES SENATE

- - -

Friday, August 21, 1987.
Washington, D.C.

Deposition of RICHARD RODERICK MILLER taken on behalf of the Select Committees above cited, pursuant to notice, commencing at 8:40 a.m. in Room 901 of the Hart Senate Office Building, before Terry Barham, a notary public in and for the District of Columbia, when were present:

For the Senate Select Committee:

JAMES E. KAPLAN, Esq.
Associate Counsel

For the House Select Committee:

JOHN FRYMAN, Esq.
SPENCER OLIVER, Esq.
RICHARD J. LEON, Esq.

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For the deponent:

EARL C. DUDLEY, JR., Esq.
Nussbaum, Owen & Webster
One Thomas Circle
Washington, D. C. 20005

C O N T E N T S

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EXHIBITS

Exhibits	Marked
23	317
24	325

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Whereupon,

RICHARD RODERICK MILLER

the witness on the stand at time of adjournment, resumed the witness stand and, having previously been duly sworn, was further examined and further testified as follows:

EXAMINATION BY COUNSEL FOR

THE SENATE SELECT COMMITTEE (Continued)

BY MR. KAPLAN:

Q Mr. Miller, this is a continuation of the previous sessions of your deposition taken pursuant to immunity orders of the Senate and the House, which are Exhibits 1 and 4, respectively, in this deposition. I would simply remind you that you are still under oath.

I just want to refer you back, for a moment, to what was marked late yesterday as Miller Deposition Exhibit Number 22. That is a composite exhibit of a stack of traveler's checks that were signed and cashed by you.

I asked you yesterday, whether or not you were ever asked by anyone, or whether you cashed any of these checks for anyone other than yourself, and I believe you responded that you could not recall ever having done so.

I simply want to ask you whether it refreshes your recollection on that response, or whether it changes that response at all, if I told you that we've determined that the checks that were cashed on March 28th are consecutive in

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number with checks that were cashed by Robert Owen and Jonathan Miller at the request of Colonel North?

A No, that doesn't change my statement.

Q So I take it that your testimony is that to the best of your recollection, all the checks here which you had an opportunity to review with counsel, back in June, and then again, briefly, yesterday, are checks that were attributable either to compensation paid to you by Mr. Calero on behalf of the Nicaraguan Development Council, or as part of a hotel incident to which you testified yesterday?

A Or potentially, the reimbursement of the expenses for the little girl that I put in the hospital.

Q Okay. Thank you. Staying with Mr. Calero for a moment, what kind of knowledge did you have back in 1985 and 1986 of bank accounts that were controlled by Mr. Calero?

A Well, the [redacted] accounts were clearly Mr. Calero's accounts, and I think I knew that from the beginning of my transfers to those accounts.

Q Who would have told you that the [redacted] accounts were Mr. Calero's controlled accounts?

A Colonel North.

Q Were there any other accounts that were under Mr. Calero's control about which you had some knowledge during 1985 and 1986?

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A Well, checks were made out to the Nicaraguan

Development Council in a couple of fund-raising situations. Where they were deposited, I'm not sure, to be honest with you. Those are the only ones I can remember.

[Witness and attorney consult.]

THE WITNESS: The Lake Resources account was to our understanding an account that was for the benefit of Mr. Calero. It was never clear, initially, who it was, but that was our understanding.

BY MR. KAPLAN:

Q When you say it was for the benefit of Mr. Calero, was it your understanding that Mr. Calero controlled that account?

A I don't think I was ever told that he controlled it. It was just clear that that--whoever that Lake Resources organization was, they were actively involved in the support. And the items that were being asked that we fund-raise for, and those we transferred money for, were for things that would have been virtually impossible for him to miss. The heavy lifting system, aircraft, in the case of the surface-to-air missiles, so--that ultimately became radios, but they ended up on the ground, so--

Q Now over time, you developed a fairly close relationship with Mr. Calero, it's fair to say, is that correct?

A Yes.

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Q Did you ever discuss the Lake Resources account with Mr. Calero?

A Yes, in December of 1986.

Q Any time before that, do you recall a discussion with Mr. Calero about Lake Resources?

A No.

Q None at all?

A No.

Q Did you ever discuss with Mr. Calero disbursements from the IC, Inc. account to Lake Resources, that were made at the direction of Colonel North?

A Only once. Colonel North told me that Mr. Calero was in desperate need of money for a food bill, and asked me to go to his hotel, at the Connecticut Club, and to tell him that I had a donor from outside the United States, and that individual wanted to give him--I believe it was $150,000--and that I should ask him for an account.

Of course the account would be exactly the same account that had been given before, but apparently Mr. Calero was unaware that I was the individual transferring the money into his account. So I did. I went to the hotel. He immediately asked me for $250,000, but I told him there was 150 available, and he wrote the account number down for me, and it was identical to what I had used for previous transactions. And I transferred money into that account.

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Mr. LEON: Let me just ask one follow-up. When you say Mr. Miller, that the Lake Resources account to your understanding was for Mr. Calero, you don't mean for him personally, but rather, for the contras?

THE WITNESS: That's correct, because it was used to buy things like heavy-lifting and Maule aircraft, and radios, and surface-to-air missiles, and so forth.

BY MR. KAPLAN:

Q When you say that the account number that Calero wrote down for you was identical to the account that you had previously used, could you just clarify for the record which account number you're talking about.

A It's an [redacted] account [redacted] I believe in [redacted]

Q Do you recall when Colonel North first told you about this [redacted] account, and that it was under Mr. Calero's control?

A Not offhand, but he would have done so immediately, prior to the first transaction to [redacted], so whatever the date is on that.

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Q Do you recall having instructed Mr. Channell to write a check to [redacted] that was being given by Channell to Mr. Calero, for his behalf, back in June of 1985?

A Yes. At one fund-raiser in the Hay-Adams, Mr. Channell asked who the check should be made out to, and Mr.

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Calero said--I went and asked Mr. Calero and he said [redacted] [redacted]. And then, I think it was the next morning, when I told Colonel North that it had been made out to [redacted] [redacted]. He said that that was wrong, and I believe it was changed to the Nicaraguan Development Council.

Q Okay. I'm going to march, briefly, with the State Department contracts that were held by IBC. My understanding is that Mr. Fryman is going to cover them in more depth at the next session.

I understand that IBC had, over time, from 1984 until September of 1986, I believe you testified yesterday a number of consecutive State Department contracts, is that correct?

A Correct. Yes.

Q To your knowledge, were those contracts obtained from the State Department?

A Well, initially, Mr. Gomez's expertise was sought out by the office that had newly been created by Ambassador Reich. Frank is 20 years in the Foreign Service. Most of it's been in Central and South America. He's fluent in Spanish, Portuguese and French. Speaks some Italian. And is extremely well known by people in Central America, senior officials, journalists. In fact was the originator of one of the journals and associations down there.

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So, that was exactly the type of individual that the State Department Office of Public Liaison needed, or, public diplomacy needed to begin their mission.

Q When was the first such contract let to Mr. Gomez?

A I think it was signed on February 22nd, 1984.

Q So that was shortly after he retired from the State Department?

A That's correct.

Q Were those contracts, or was that contract, that same contract, renewed at some point in time?

A It was. It was actually a purchase order contract, and it was reissued, I believe two more times.

Q To Mr. Gomez?

A To Mr. Gomez. That's right.

Q Do you recall what the average length of these contracts was?

A It seems to me they were about 3 months.

Q Was there a time when the contracts were let to IBC instead of to Mr. Gomez?

A Well, when Mr. Gomez and I began to form a partnership in '85, he requested that the contracts be made to himself at International Business Communications, and as we began to form the partnership he simply brought that in as part of--it was already a consulting contact for him and he brought it in as part of the partnership business.

Q Was IBC then listed as the contractor on the contract itself?

A In those three contracts, no. In the fourth contract I believe yes, but again, using his name and International Business Communications.

Q How many contracts were there, all-told?

A I believe total, there were six. Seven. I'm sorry. Seven, including the INSI contract.

Q How many of these contracts were identical in terms of the duties performed by Mr. Gomez and IBC?

A That's not the right question. The elements that were in the first three contracts were also in the fourth contract and in the fifth contract. The fifth contract, the larger of all of them, a 200 and some-thousand dollar contract, had in it an additional section for a distribution system.

So the elements did not change significantly from the first contract to the last contract, except for the increase to incorporate a distribution system.

Q Okay. What was the sum total of these seven contracts?

A About 440-some thousand dollars.

Q All right. You mentioned that one of the contracts was over $200,000?

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A Yeah. We bid it at 242--or 342, and they told us it was going to cost--I'm sorry. We bid it at 242. They

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told us it was going to cost 282, and we came in at 276, I believe.

Q Were the other contracts reasonably equal in amount?

A I think they were almost exactly equal. The fourth contract was nothing other than a longer time period. The previous three contracts had all been purchase orders, so they were for short periods of time.

Q So they were in the range of 40 to $50,000 each?

A I think the first three contracts were slightly under $10,000 each, and I think the third contract--the fourth contract was about $90,000.

Q What duties did Mr. Gomez, and others at IBC, including ourself, perform under these contracts?

A Let me see if I can do it again, off the top of my head. We provided escort services for exiles, refugees, atrocity victims. We provided translation services for the same people. In some cases we provided security for them.

We provided simultaneous interpretation. We provided housing, transportation. We provided media contact for these same people. We provided civic-leader contact for these people. We sought to put them together with like organizations in the United States.

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We did debriefings for them. We set up interviews and press conferences. We arranged television appearances. For the office in general we provided text for op-eds,

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editorials, letters to the editor, articles, translations of publications outside the United States that were then distributed by the office.

We helped arrange media schedules, made strategic planning suggestions for development of public expressions of policy. We helped draft reports on public-affairs strategies. We helped edit texts for speeches. In the distribution area we created a computerized database for the use of the office in the distribution of its publications.

They could be segmented into multiple selection processes so that they could be distributed by subject, by geographic location, by a whole host of demographics. We set up an internal control system to improve the procedures associated with the production and ultimate distribution of publications.

We provided staff on site at State Department to handle that task. We did the actual physical distribution of hundreds of thousands of pages and single documents. I remember one distribution being 70,000 copies. We provided the delivery of those to the Federal agencies that were involved in the matter here in Washington. We provided the transportation and the storage for those documents. And we also provided a training course for the information office of the Salvadoran government.

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And we provided talking points for, or suggested talking points for senior administration officials. That's all I can remember, off the top of my head.

Q Is it fair to say that in your work under these contracts you were brought in close and regular contact with Mr. Calero, Alfonso Robelo and Arturo Cruz?

A No.

Q Did you coordinate any of their travel or visits to the United States?

A Yes.

Q Was that a service that you performed under these contracts? Or was that a service that you performed in connection with your duties that you described yesterday on behalf of the Nicaraguan Development Council?

A We considered it duties on behalf of the Nicaraguan Development Council. Initially, also, our work with the Gulf and Caribbean Foundation.

Q So is it fair to say, then, that at least your work on behalf of the Nicaraguan Development Council brought you into fairly close and regular contact with Mr. Calero, Mr. Robelo and Mr. Cruz?

A Yes.

Q Did North ever contact the State Department on IBC's behalf, to your knowledge?

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A I don't recall the specific instance but I've read the press reports on it, and I have a minor memory of him doing so.

Q And do you recall when he made that contact?

A I don't recall when but I recall why.

Q Could you tell us why.

A Yeah. We had billed the State Department for three months' worth of work, and I think it was already 30 days past the time that that should have been paid under the Prompt Payment Act. And we were just not that big a company, it was a very serious time for us, and we needed the money, and he made an appeal to somebody at the State Department. I've forgotten exactly who it was.

Q Why did you approach North to make the appeal on your behalf?

A I'm not sure I approached him on it. I think I just may have bellyached in his presence and he acted.

Q He acted?

A Yes.

Q Did he tell you that he had contacted someone at State on your behalf?

A I don't remember whether he told he was going to, or whether he told me he did.

Q But one of the two?

A Yeah.

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Q Did his contacts result in prompt payment?

A I guess the Government would have considered it prompt payment. I'm not sure it came much quicker than it would have been otherwise.

Q Do you know who he contacted at the State Department?

A I want to say Frank Gardner, but I'm not sure. It was the administrative--it was somebody involved in the adminstration of the Office of Public Diplomacy.

Q Was that one of Mr. Gardner's duties?

A Yes.

Q Who were your principal contacts at the State Department under these contracts?

A Well, it changed as the staff changed. Initially, it was Otto Reich and Jonathan Miller, John Blacken, John Scafe. Those were the people we answered to, initially. And also, we worked with Mary Catherine English, Jake Jacobowitz, Colonel Larry Tracy, Colonel Mark Richards, Dan Fiske, Bob Kegan. Those are all the names I can remember, off the top of my head.

Q I'm going to move off the State Department contracts. As I said, those will be covered in more depth, I understand, at your next session.

When did you first meet Jonathan Miller?

A I met Jonathan in the campaign in 1980.

Q What kind of contact did you have with him after the campaign?

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A We both ended up at AID, myself in the Public Affairs Office, and Jonathan in the Legislative Affairs Office.

Q Did you and he develop a friendship?

A Yes.

Q Did you ever discuss with him--and I think I asked you this yesterday, but if I did, you can just give me the same answer. Did you ever discuss with him your contra-funding efforts with NEPL and Colonel North?

A I don't recall ever discussing it.

Q All right. Do you recall having had some meetings with Jonathan Miller and Colonel North?

A I'm sure I have but I don't--I recall one meeting in the situation room, that I think Jonathan was at.

Q What types of substance--if it can be broken down that way--was likely discussed in meetings that you would have with both Mr. Miller and Colonel North?

MR. DUDLEY: I object to the hypothetical way in which that question was framed. You know, what questions were likely discussed, if there were meetings.

I think you should establish whether there were meetings.

MR. KAPLAN: I'm sorry. I thought I had established that before.

THE WITNESS: Would it be helpful for me to

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remember each meeting? I would go as far as my memory goes on each one of them.

BY MR. KAPLAN:

Q Okay. Why don't I help you out a little. Records that the Committees have obtained in the course of their investigation show that you and Colonel North, and Mr. Miller had meetings on the following dates, and this may help you place yourself, and maybe recall some of the substance of those meetings.

September 10, 1984 with Mr. Gomez also in attendance.

January 16, 1985, with Mr. Gomez also in attendance.

MR. DUDLEY: What was that second one? I'm sorry.

MR. KAPLAN: January 16, 1985.

It is unclear, but perhaps meetings with a group called Citizens for America on January 25 and January 28 of 1985.

February 27, 1985 with Mr. Gomez and Mr. Owen also in attendance.

June 5, 1985 with Mr. Gomez and a person named Otto, who I presume is Otto Reich.

THE WITNESS: June 10?

MR. KAPLAN: June 5, 1985. I believe that's the sum total.

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BY MR. KAPLAN:

Q So all those meetings would have taken place between September of 1984 and June of 1984, according to our records. I certainly welcome any further recollection you have beyond what we have on paper. I also will note for the record, that the September '84 meeting is not clustered with the rest. It seems to sort of hang out by itself.

Does that refresh your recollection at all as to the substance of the meetings that you did have with Colonel North, Mr. Miller, and, usually, others?

A I can probably identify three of these, and I'll work backwards, chronologically. The June 5 meeting with Otto Reich, I believe was at lunch. The third meeting I can recall is a Citizens for America meeting, which I believe only took place on one of those dates. I think you probably have a vintage North calendar entry that got changed several times, and that in reality it took place at some, one of those but not both of those.

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I was invited to a meeting in the situation room that was attended by--was hosted by Colonel North and was attended by Otto Reich and Jonathan Miller, Frank Gomez and myself. Lew Lehrman, Jack Abramoff, and two other officials of the Citizens for America whose names I cannot remember right now.

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Q Was that a meeting in which I believe that your counsel have produced to us a document listing the attendees at that meeting with phone numbers on the righthand column?

A Yes.

Q Okay.

A And Lehrman had asked for the meeting. His intention was trying to create political support for the President's policy. Colonel North introduced us as representatives of Mr. Calero. We sat through a presentation by Mr. Lehrman of a fairly weighty and seemed to be a well-thought-out program of grassroots education, and Colonel North asked what the Administration could do to help, and Mr. Lehrman said that he needed to have $250,000.

So everybody's immediate reaction, unspoken, was the same, and that was that that was his business to raise the money and not ours, and that we thought we were being offered help and not asked for it, in terms of funding.

So I think the idea basically exhausted itself and went no further.

Q Okay.

A I remember--and I can't tie them to these other two dates, January, or September 10 1984, or February 27th--but I remember being called over to North's office--Frank and I both, by Jonathan Miller, and that Jonathan was housed there at the time.

And the UNO leaders had come to Washington, and

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Colonel North asked that we get for them media, and we used his telephone, and then ultimately, went back to the office and got things like Good Morning America, the Today show, Nightline, and Washington Post.

Q Do you recall when this incident took place?

MR. DUDLEY: Will you excuse me just a minute.

[Witness and attorney consult.]

MR. DUDLEY: I'm sorry to interrupt your flow, but I wanted to get something before it got too far past.

MR. KAPLAN: It's okay. I appreciate that.

BY MR. KAPLAN:

Q Do you recall when the call from Jonathan Miller came and this incident took place?

A It would have been--no, I don't recall the exact date. It may be the February meeting--I'm not sure--but it would have been just about the time of the President's first request for aid.

Q How did North, to your knowledge, first become aware of your association with Mr. Calero?

A I don't know. I've never remembered our first meeting, so I can't even tell you why we--

Q Okay. When did you first meet Rob Owen?

A Again, I'm not sure when my first meeting with Rob was. The earliest recollection I have of Rob is he accompanied a group of three refugees to our offices, along with

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John Hall, and we were in our offices at 1607 New Hampshire. So it would have had to have been some time between February of 1984 and January of 1985.

Q Who sent Mr. Owen to your offices with the refugees?

A I don't know. We didn't know he was coming with the refugees. I think we expected the refugees, and Mr. Owen and Mr. Hall showed up with them, along with two other individuals.

Q Can you briefly describe the substance of your relationship with Mr. Owen over time, starting with that first meeting with the refugees, and continuing on through the end of this year?

A Rob was a personal friend of mine. We have had a minimal amount of professional contact. I reviewed a public-affairs strategy he produced one time. He has provided me with background information, that he has secured a lot of this down in Nicaragua and [redacted] That's about the extent of our professional relationship.

Q I want to go back to a question I forgot a moment ago. When Mr. Calero told you in December 1986 who controlled Lake Resources, or what Lake Resources was--

A You mean Lake Resources or [redacted]?

Q Maybe I misunderstood, then, and it's worth clarifying for the record. I thought I had asked you when did you discover that what the Lake Resources account was.

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A No, that wasn't your previous question, but I'd be happy to answer it.

Q Okay.

A When Albert Hakim testified before the Congress, my first inkling that it was more than just an account to assist the contras came when I read the front-page article that quoted H. Ross Perot as having been asked to send $2 million there.

Q That would have been in December of 1986?

A I believe it was December 6. It was a revelation.

Q Was your earlier testimony about a discussion with Mr. Calero in December 1986 relating to his control of [redacted]?

A Correct.

Q But I take it, as you testified, that you had some inkling, some time prior to December 1986, that Mr. Calero knew about that account, if not controlled it?

A No, that's not what--

Q Is that not correct?

A No, that's not what I said.

MR. DUDLEY: I think you'd better clarify that.

MR. KAPLAN: Why don't you just clarify that because--

THE WITNESS: I was always under the impression that the Lake Resources account was some form of organization that benefited the resistance, because we raised items which then appeared in newspaper articles, and so forth, down there. They also would have been impossible for Mr. Calero to miss. Big airplanes, heavy-lifting systems, Maule aircraft, shoulder-launched missiles.

So I always assumed that he was aware of the Lake Resources account. It wasn't until December of this past year, that I realized that he knew very little about the Lake Resources account, and that was only after discussing it with him directly.

BY MR. KAPLAN:

Q Let's go back to Mr. Owen. Did you ever discuss with Mr. Owen your role in contra-assistance funding NEPL?

A I don't recall discussing it with Rob, no.

Q Did Mr. Owen ever discuss with you his role in a contra-resupply network, or a contra-resupply operation?

A I don't believe so.

Q Did Colonel North ever discuss with you Mr. Owen's role in the contra-resupply operation?

A Not in a resupply operation per se, but as a courier and a carrier of messages from him to political leaders.

Q What did you know about Mr. Owens' relationship with Colonel North?

A I thought that Mr. Owen was employed almost solely

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by Colonel North.

Q Were you aware that Owen had been at least in part placed by North at the Nicaraguan humanitarian aid office?

A Not until I read it in the newspaper.

MR. KAPLAN: I am going to ask the reporter to mark as Deposition Exhibit Number 23 a copy of a document provided by your counsel, which are handwritten notes.

[The document referred to was marked for identification as Miller Deposition Exhibit No. 23.]

MR. KAPLAN: The top of the page says "IBC expenditures for Green."

BY MR. KAPLAN:

Q I first want to ask you if you recognize those notes.

A Yes. They're mine.

Q Does "expenditures for Green" refer to expenditures by IBC for Colonel North, or at his request?

A At his request, or for him, right.

Q All right. The date, 1985, refers to the year in which these expenditures were made?

A Correct.

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Q The very first entry I believe says, "6-19--that is, June 19--and it says "Owen trip expenses." Then the corresponding number is $2200. Were you aware at the time that Colonel North was asking you to make certain disbursements, that some of these disbursements were to pay for Mr. Owen's travel?

A Yes. In fact the first two items are actually interconnected. The $2200 I believe was cash, and the 3500 I believe was traveler's checks for him to take with him.

Q Who provided you with the traveler's checks for Mr. Owen to take with him?

A This came out of our bank account. In other words, we wrote a check to our bank and got traveler checks, and gave them to Mr. Owen.

Q I see. Does "NDC" stand for Nicaraguan Development Council?

A Yes.

Q If they were traveler's checks taken out of your bank account, why would the notation says "NDC traveler's checks?"

A At that point I can only assume that it was because I thought Rob was working primarily with Calero's organization, and I would have put NDC down.

Q Is it possible that at that time you gave to Mr. Owen the blank traveler's checks that had been given to you by Mr. Calero in payment for NDC services that you had performed?

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A I don't think so because I think there's a check that corresponds to this in our check register, and I believe that was--I mean, I think "NDC traveler's checks" is just a mental note to myself as is "Wire to Lake" or one of the others.

Q Move down two entries from there to a September 12th entry which I believe says "Beacon Creative Writing, $10,000." Can you explain to us, briefly, what that disbursement represented.

A Beacon was the name that I chose for Arturo Cruz, Sr. and--

Q He wasn't a "car part?"

A No. He was a great deal of light. He was an "illuminating force" so we called him Beacon.

Q But you could have called him Headlight.

A That's true. He was to write an article and that $10,000 was payment for the writing of the article.

Q I take it that the other entries that are shown, which I believe we covered yesterday--an entry for Commercial Tulin, and then several wires to Lake, are simply disbursements from IBC that were made at Colonel North's direction?

A Correct.

Q Did all of these disbursements come from money that had been passed to IBC for NEPL that was intended for contra assistance?

A Either passed to us, or--yes, it all came from NEPL

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money.

Q When did you first meet Father Tom Dowling?

A I think it was fairly late. I think it was like 1986.

Q When, in 1986? Do you recall?

A I don't. I recall, I think he was in Adolfo Calero's presence when I met him.

Q Were you aware that Father Dowling was a principal of the Latin American Strategic Studies Institute?

A Yes.

Q Were you aware of that fact at the time that Colonel North directed disbursements, and of IC, Inc., to the Latin American Strategic Studies Institute?

A Yes.

Q Now we covered it yesterday. One of the disbursements of $25,000, I believe, that went to Latin American Strategic Studies Institute, came directly from IBC, Inc.?

A Right.

Q I believe you testified that that $25,000 was directed by Colonel North also?

A It was requested by Tom Dowling, and by Adolfo Calero, and approved by Colonel North.

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Q Did you ever discuss with Father Dowling your involvement or participation in what I've been referring to as a shorthand or a contra-funding network?

A Not until very recently.

Q When did that discussion take place?

A The last time I saw him was about three or four weeks ago, I think.

Q Was that discussion in the presence of counsel?

A No.

Q Can you tell us what the substance of that discussion was.

A It was a friendly conversation over lunch. I don't recall us comparing notes about much in the way of transactions. We were discussing mostly the financial difficulty of his organization at present.

Q What was the piece of conversation that you had in which you told him about your involvement in the contra-funding network?

A Well, I've told everybody that will listen, that this allegation by Jane McLaughlin, that Spitz Channell gave IBC $5 million to go to the freedom fighters, and that we kept 2 million of it was erroneous, and it only takes then a description of Spitz's Central American Freedom Program to prove my point, and that's what I did. I described the Central American Freedom Program.

Q Was there any other discussion about your involvement in the funding network?

A No.

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Q Do you recall a meeting with Father Dowling and Colonel North, and yourself, on November 17, 1986?

A November 17, 1986? Not specifically.

Q Do you recall such a meeting generally?

A Not really. If you can give me other details, maybe I can refresh my recollection.

Q Does it refresh your recollection at all, if I remind you that November 17 was a Monday, and it was just a few days prior to the meetings on November 20 and 21 about which you've testified before here, previously, on June 23rd?

A No.

Q Does it refresh your recollection if I tell you that the meeting took place at Colonel North's office?

A That's where I was trying to envision it. That still doesn't click.

Q Did you travel to Panama in November 1986?

A Yes.

Q What was the purpose of that travel?

A It had to do with a client we have in Panama. It's unrelated to this matter.

Q Did you return from Panama with some cash?

A I did.

Q Do you recall how much?

A I believe it was slightly over $35,000.

Q What was the source of that cash?

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A It was $35,000 in retainer and associated expenses.

Q When you say "retainer and associated expenses," that's payment from a client that you had in Panama?

A That's correct. We reported it on the Treasury form and our foreign-agent registration is on file with the Justice Department.

Q Would you tell us the name of the client.

MR. DUDLEY: May we go off the record.

MR. KAPLAN: Sure.

[Brief discussion off the record.]

MR. KAPLAN: On the record.

In an off-the-record conversation that ensued, I was informed by counsel for the witness, Mr. Miller, that the response to my question would divulge, on a record which might at some point be made public, the identity of a client, that for business purposes, and for no purpose related to these Committee investigations, Mr. Miller would like to keep from the public, as a matter of business and professional propriety.

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I will not pursue the question or press the question, and I withdraw it from the record. I will state, for the record, that counsel for the Committees have been informed previously of the identity of that client, and that identity is one which we intend to guard confidentially.

THE WITNESS: Thank you.

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MR. DUDLEY: I appreciate that.

BY MR. KAPLAN:

Q Why were you paid in cash?

A I don't know.

Q Did you ask for a cash payment?

A No. We actually asked for a wire transfer which is preferable, but we received cash.

Q Had you received any prior payments from that client, or was this the first payment that you received?

A No, we had received prior payments.

Q You had. Were those payments in about the same amount?

A Yes.

Q What was the billing basis that you had with that client?

A It's a retainer relationship. Monthly retainer plus expenses.

- Q Did you receive subsequent payments from that client?

A Yes.

Q You have. Are those subsequent payments in approximately the same amount of currency that you brought back from Panama?

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A At least one of them, and then our amount of retainer was reduced.

Q. When did you first meet Richard Pena?

A I met Richard when I was at the--well, I'm not sure, but some time before 1985.

MR. KAPLAN: I'm going to ask the reporter to mark as Deposition Exhibit Number 24 a copy of what purports to be a letter from Mr. Pena to World Affairs Counselors, Inc., dated August 15, 1985.

[The document referred to was marked for identification as Miller Deposition Exhibit No. 24.]

BY MR. KAPLAN:

Q I ask you if you recognize that letter?

A Yes.

Q Is that a letter that you received as a principal in World Affairs Counselors, Inc.?

A It is a letter I received addressed to World Affairs Counselors, Inc., but it was delivered to me, personally.

Q Why was the letter, to your knowledge, addressed to World Affairs Counselors, Inc.?

A Because I didn't want it addressed to International Business Communications.

Q Can you tell us why you didn't want it addressed to International Business Communications?

A Well, it really is an offer of assistance from Mr. Pena in securing a favorable price tag on military equipment after the Congressional vote approving the sale of military equipment, or the purchase of military equipment for the benefit of the Nicaraguan resistance. And there was no reason why that type of business should be handled in any way through IBC. That's not IBC's business, and I was passing it along as a courtesy, and I chose World Affairs Counselors because it would have been anonymous to anybody here in Washington, and it had to be addressed to somebody.

Q Is it fair to say that the purchase of arms is also not World Affairs Counselors' business as well?

A That's correct.

Q Who was this letter being passed on to?

A I passed it on to Colonel North. Mr. Pena asked me to pass it on to whoever the appropriate person was, and I think he assumed I knew whoever the person was in the Central Intelligence Agency that would be responsible for these types of things, but I didn't, so I just asked Colonel North to pass it on.

Q Do you know why Mr. Pena assumed that you would be someone who would know the appropriate person at the CIA to pass along a letter of this sort?

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A I just think he had watched us operate in the area of Central American policy and had a good understanding of how close we were to Mr. Calero, and just assumed that we were closely associated with the effort.

MR. DUDLEY: So the record is clear, those are your assumptions. Are they based on any conversations you had with Pena?

THE WITNESS: In very rough terms. I mean, not any that I recall, specifically.

BY MR. KAPLAN:

Q The letter states that it encloses a list of products available from a number of entities listed, and then it has an attachment which is called "Price List of Items Available." I'll just state for the record, that the items listed are grenades, anti-personnel mines, anti-tank mine, NATO standards, bombs, and boots.

Is that an accurate reading?

A Yes.

Q Did you understand that Mr. Pena was going to send you a letter that had these types of product availability listed?

A I understood that it was going to be military equipment. I think we discussed rifles and boots, are the only thing I remember specifically discussing before this letter arrived, and it was a very short discussion. I told him I had no idea how to--what a price tag was on something like that, and that his suppliers would have to--

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Q Did you assure Mr. Pena that you would pass this letter along to the appropriate people?

A Yes.

Q The last paragraph of the letter itself makes reference to previous discussions that Mr. Pena alleges that he had with you and states that -- and I will just quote it -- "We envision that commissions payable on the sale of any particular product will be divided equally among the corporations involved and the placement of that product", close quote. Do you recall the previous discussions that gave rise to that last paragraph?

A I can recall Mr. Pena telling me that his company had an offshore corporation. I can't recall specifically where it was, and that he felt there would be some commission associated with this sale. I think one or both of these people are actually clients or personal friends of his, and he had made an offer for splitting whatever commission had come to him. I didn't take it particularly seriously. I didn't anticipate it. In fact, in all honesty I treated this whole thing fairly casually.

Q Was it your understanding though that if commissions were received from the purchase by the CIA of any of these items from the companies listed by Mr. Pena that you indeed would share in those commissions?

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A It was clear to me that he had made that offer.

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I'm not sure I would have taken him up on it. I don't even know what size the commissions would be on it.

Q Why would you not have taken him up on that offer?

A I'm not an arms' merchant. I don't care to be in the arms' merchant business.

Q Okay.

Is it your testimony, however, that you did give Mr. Pena the name World Affairs Counselors, Inc. because that would not be recognizable --

A That's correct.

Q -- in the domestic United States?

A Overseas. Since it is a Cayman corporation, it would have been impossible for somebody to find out who the principal beneficiaries were. So anybody trying to find out who this letter was written to would not be able to do so, and yet still the letter was written to a corporation so that it was a legitimate offer. That way it could be passed on to somebody and taken seriously.

Q Is it also fair to say that you didn't want any national business communications' name on a letter of this sort?

A Absolutely.

Q And why is that?

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A Because it is not the business of International Business Communications.

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Q Do you recall Colonel North's reaction when you gave him this letter?

A I don't even think he took it out of the envelope. He just said that he would pass it along, but I believe he said that he thought that it had all been taken care of.

Q Did you have any subsequent discussions with Colonel North about this letter or Mr. Pena's offer?

A I asked him one time whether it had been passed on and that was after Mr. Pena had asked me if I had passed it on to the appropriate person.

Q Okay.

What did Colonel North tell you?

A He told me he passed it on to the appropriate person.

Q You testified on June 23rd about meetings that you had with Colonel North on November 20th and 21st. Have you had any contacts or did you have any contacts with Colonel North after your meeting with him on November 21st?

A Yes. I saw him probably within five or six days of leaving the National Security Council.

Q Were you represented by counsel at the time?

A No.

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Q Was that meeting in the presence of his counsel?

A No.

Q Can you tell us what the purpose of that meeting

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was?

A I don't know what defines presence of counsel. It was at his attorney's office.

Q Was his counsel in the room?

A No.

Q Who initiated that meeting?

A I did.

Q You did. What was the purpose?

A There had been newspaper articles quoting Oscar Matamoros and unnamed officials of the Nicaraguan resistance, saying that they had only gotten a few hundred thousand dollars from the money Mr. Channell raised, and that he had kept it all or IBC had kept it all. And knowing that we had sent $1.7 million to Lake Resources and we had sent over $1 million directly to Calero's accounts and then the balance to other organizations, such as Mr. Robelo's and so forth, that didn't jibe with reality.

And I had also read the revelation from H. Ross Perot that he had been asked to deposit $2 million into Lake Resources. And it was suddenly clear to me that that account was used for many other things other than just assistance for the Nicaraguan resistance.

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So I went to him, and the first thing I said to him was "I hope to hell that that account was used for humanitarian assistance", and he said, "Oh hell, yes." And I told

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him of my concern about Mr. Calero's statements and that it was clear to me and that it was not clear to Mr. Calero that the money that had gone to Lake Resources and to his accounts had come from us. And he listened quietly to that. I asked him whether he thought it would be a good idea for me to go see Mr. Calero and explain it to him. And his sole response was, "I think that would be a good idea."

And we then talked a bit about our wives and what they were going through, and he showed me the stack of letters behind him, and told me that he was working on his statement to be read to the Committees on a computer. And I left, and that is the sum of the meeting.

Q Where did the meeting take place?

A In an office at Williams and Connolly.

Q Was anyone else present at that meeting?

A No.

We also had a subsequent meeting, at which time we were both represented by counsel in February.

Q Did the meeting take place in the presence of counsel?

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A Yes, my counsel and his counsel.

MR. KAPLAN: Mr. Dudley, would you assert privilege as to the communications that took place between Mr. Miller and Mr. North during that meeting?

MR. DUDLEY: I am prepared to let Mr. Miller

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testify with respect to that meeting, provided that it will not be claimed by the Committee or anyone connected with the Committees, either Committee, that doing so constitutes a waiver of the attorney/client privilege. I am not prepared to take a position as to whether that meeting actually is privileged, but I am prepared to let him testify so long as it is not considered a general waiver.

MR. KAPLAN: On that understanding which we can represent will be the understanding of both Committees.

BY MR. KAPLAN:

Q I would like to then proceed and ask Mr. Miller what was the substance of the discussion that took place at that meeting?

A I had been since November putting together pretty much by myself a report to Mr. Channell of how his money had been expended, and had gotten to the point where being a metier person, I recognized that it was days before it would hit the front page of the Washington Post after its issuance, that I thought Colonel North should be at least apprised of what was in it.

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And I asked my attorney to discuss it with his attorney and a subsequent meeting was set up. And he reviewed the report briefly, and his sole concern was for the personal safety of two individuals mentioned in the report, and that there was only one line amended, and that single line simply eliminated references [redacted]

And we then talked about his dog, and we talked about our wives again and our families and then we left each other.

Q Who else was present at that meeting, for the record?

A Earl Dudley, Ronald Precup, Barry Simon and Brendon Sullivan.

MR. DUDLEY: I should state that I don't think everyone was always present for all parts of that meeting.

MR. KAPLAN: Okay.

BY MR. KAPLAN:

Q Had you had any other contacts or conversations with Colonel North since February, since that meeting that you just described?

A I spoke to him briefly by telephone before Christmas to wish he and his family a merry Christmas, and again we talked about our families and Max, the dog.

We may have had one other conversation, but again I think it was just of a personal nature.

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Q When you testified a moment ago that you asked Colonel North whether the funds that had been raised and disbursed through IBC and IC, Inc. had been used for humanitarian purposes, you said that his response was, "Hell, yes." Has time refreshed your recollection to amend the expletive that he used in response to the question?

A I would say it's ambiguous enough that it could have been either my previous recollection or the present recollection.

MR. KAPLAN: I'm sorry. I couldn't avoid it.

MR. DUDLEY: Only the expletives have been deleted.

THE WITNESS: He is a marine officer, you know.

BY MR. KAPLAN:

Q To yourknowledge, were there any gifts or other items of value that were given to North or his family by anyone during the time that you have known Colonel North?

MR. DUDLEY: Did you say other?

MR. KAPLAN: No. I said by anyone.

MR. DUDLEY: I want to know whether the word "other" was in there before the word "gifts".

MR. KAPLAN: I said gifts or other items of value.

MR. DUDLEY: I thought I heard you say were there any other gifts or items of value given.

MR. KAPLAN: No. I will withdraw the previous question and ask this one again.

BY MR. KAPLAN:

Q To your knowledge, was Colonel North given any gifts or other items of value during your relationship with him by anyone?

A Well, I gave him a gift but I think it was of more

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value to me than it was to him.

Q And what was the gift you gave him?

A It was a Labrador pup, and it was after the stories had come out about his dog being poisoned. And I am a dog lover and raise Labradors, and I couldn't stand the thought of his children being without their dog. So I promptly went over with my pregnant wife and delivered a beautiful little yellow Lab pup, only to find out later that the dog that was killed was about six inches tall. So I am not sure he has ever been as grateful as I thought he would be for introducing this monstrous 97 pound beast into his household.

Q You may have taken a liking to me over the course of our relationship, and I know my wife would appreciate it if you didn't deliver a Labrador pup.

A I always remember things. So I never do the wrong thing twice.

Q Are there any other gifts or items of value that you or any of your associates gave to North during the time of your professional relationship with him?

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A None other.

Q Are you aware of gifts or items of value given to North by Mr. Channell, and I will say other than the implication of your testimony that North flew on a Channell chartered plane or a Newington chartered plane to Mrs. Newington's that weekend?

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A I think when Mrs. Newington -- when we were at Mrs. Newington's, she gave each of us a tie. I got one. I'm pretty sure Colonel North got one.

Q Do you recall a briefcase that Mr. Channell or yourself might have given to Colonel North at some time during 1985 or 1986?

A I remember Mr. Channell giving me a briefcase, but I don't remember him giving Mr. North one.

Q Okay.

Have you had any contacts with Mr. Channell or Mr. Conrad since November 1986?

A Yes.

Q When was the first such contact after November?

A Mr. Channell retained IBC again in November to assist in his relations' effort, and we continued that relationship until April, I believe.

Q Of this year?

A Of this past year; that's right.

Q Aside from any efforts of IBC's on his behalf with respect to that professional relationship, did you have any discussions with Mr. Channell after November 1986 about your respective participation in what I am referring to as the contra funding network?

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A Well, sure. I presented the report to him. He asked continually for as much documentation as could be provided. And I sought that documentation from the recipients of the assistance, and I'm sure we discussed it.

Q What prompted the February 1987 report, a portion of which was marked yesterday as Exhibit 17?

A Dan Conrad had been asking for about nine or ten months for a full report of the 1985/86 expenditures, and there simply was not during the period in which we were working for Mr. Channell time to do it, since I was the individual that would have to do 95 percent of the work

And finally in November it became clear to me that he would need a report for tax purposes and for purposes of talking to his own contributors, and so I worked I have no idea how many hours, but virtually every night and all weekends for some time mid-November probably until the report was issued in February.

Q Did you discuss the substance of the report with Channell or Conrad before you actually gave the report to him?

A No.

Q You and I talked yesterday about some of the conclusions in the report that are on page 3 of Exhibit 17. Did you review these conclusions drawn with anyone prior to giving the report to Channell?

MR. DUDLEY: Other than counsel.

BY MR. KAPLAN:

Q Other than counsel?

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A No.

Q Were these conclusions in the report when Colonel North reviewed the report in your meeting with him and in your meeting with him and counsel in February 1987?

A Yes.

Q Did Colonel North comment at all about the conclusions that we discussed yesterday?

A He made no comment about it, but I remember specifically his counsel saying that they took no position on any of the characterizations.

Q Did Mr. Gomez review the report before it was turned over to NEPL?

A I don't believe.

Q Did you discuss the conclusions drawn with him prior to distribution to NEPL?

A I don't think so.

Q Have you discussed those conclusions with Mr. Gomez after the issuance of the report?

A I may have, but I don't recall specifically.

Q And did you discuss the conclusions with Mr. Channel or Mr. Conrad after the issuance of the report?

A No.

Q You mentioned yesterday that you met --

A Can I take a break?

MR. KAPLAN: Fine.

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[Brief recess.]

BY MR. KAPLAN:

Q I believe that you testified yesterday that you met David Fischer some time in December of 1985.

A I think I may have met him in November or some time at the end of the year.

Q Do you recall who introduced you to Mr. Fischer?

A Marty Artiano.

Q How did you know Mr. Artiano?

A I knew Marty from the campaign. We had a casual acquaintance during the campaign.

Q Which campaign are you talking about?

A The Reagan/Bush 1979-80 campaign. And I subsequently got to know Mr. Artiano better when he was working at the State Department and subsequently to his leaving the State Department and becoming a partner at Anderson, Hibey, Narheim and Blair.

Q Did you work with Mr. Artiano at the State Department?

A We had some contact. His position there was in the Office of International Organizations and AID has a fair amount of work with the Office of International Organizations.

Q Did Mr. Artiano introduce Mr. Fischer to you for a particular purpose, at least as far as you know?

A Yes. I had started a search for either a consulting

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organization to take over the account completely or to find somebody that would be willing to work together with us on the account for Mr. Channell. And it was contact with Mr. Artiano that led to the conversations with Mr. Fischer and himself.

Q By the account, you are referring to the NEPL account?

A All the Channell organizations.

Q Okay.

What was your interest in Mr. Fischer particularly?

A We had gotten to a point with Mr. Channell where we were not able to increase his level of efficiency and programs with our stature, and we needed somebody of greater stature to accomplish that. And that was our reason for seeking senior consultants to do that.

Q What did you learn about Mr. Fischer's background upon meeting him?

A I knew exactly who David Fischer was before I ever met him. He was as well known to campaign people as would have been Lyn Notziger or Ed Meese or anybody like that.

Q What was Mr. Fischer's position in the White House?

A He was President Reagan's personal assistant.

Q Did IBC and Mr. Fischer conclude a business relationship some time in November or December of 1985?

A Yes.

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Q What was the relationship that you arrived at?

A Mr. Fischer and Mr. Artiano were retained by IBC to work on initially the Channell account, and their services would include the arrangement of briefings for Mr. Channell and his people with senior officials, policymakers, policy implementation offices for the arrangement of briefings by senior Administration officials or Mr. Channell and by Mr. Channell to senior Administration officials and policymakers.

They were responsible from that period forward for most of the senior-level contacts within the Administration, Congress. They provided some advice and counsel on strategic planning, reviewed texts for proposed programs, made recommendations as to how to improve the success of the programs. They wrote planning memoranda and at some points I think they worked on talking points. That's all off the top of my head.

Q What was the initial financial arrangement of your relationship with Mr. Fischer and Mr. Artiano?

A Mr. Fischer and Mr. Artiano asked initially for $20,000 a month with a long-term commitment. It didn't take them very long to realize how demanding Mr. Channell was, and for them to continue the effort, they required that I guarantee to them two years' worth of retainer, which I agreed to do. Since that was money I would have gotten from Mr. Channell in order to guarantee it, I left it up to them to make calls for its distribution and over the course of the

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next six to eight months, I charged Mr. Channell sufficient fees to be able to meet that guarantee.

Q What was Channell's understanding as to the fee basis that you had arranged with Fischer and Artiano?

A I told him -- and I remember a conversation in my office at my conference table with Mr. Channell -- that I was going to charge him $20,000 a month plus $50,000 a month and he was actually, I think, kind of disturbed by that. But I also explained to him that he wanted the level of effort that he had outlined, that that was going to be what was required and he accepted it and paid it out over actually I think a period of about eight months. That may be a shorter length of time, maybe six months.

Q Is it fair to say that you had almost daily contact with Mr. Fischer with respect to his carrying out of the services under your business arrangement with him from December 1985 forward?

A I would use the term daily because it included nights and weekends. It was an extremely demanding period of time.

Q Did Mr. Fischer work out of your offices?

A No. For a period of time, he worked out of Mr. Artiano's office. He also was still living in Salt Lake City. So he would fly to Washington, and when he was in Washington, sometimes he would work out of IBC's offices.

Q With what regularity did you have contact with Mr. Artiano during this same period of time, that is from December 1985 forward?

A Initially, I would say probably daily.

Q For how long?

A I don't know, probably the first three months or so, four months. And then my contacts gravitated more to Mr. Fischer.

Q Did you receive bills from Mr. Fischer or Mr. Artiano or both for payment of these monthly retainers?

A No. I left it up to them to make cash calls on us. Since it was agreed upon $20,000 a month, there was no need for any elaborate mathematics. I simply knew how much money they had coming, and they were allowed to call on it any time they wanted to.

Q When you contacted Mr. Artiano, did you contact him at his law office?

A Yes.

Q And that would have been daily contact for at least a period of months after and including December 1985?

A That's correct.

Q Did Mr. Artiano -- strike that question.

What was the form of payment that you made to Fischer and Artiano pursuant to this business arrangement?

A Both checks and wires.

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Q How come wires?

A No particular reason.

Q Would there be wires to Mr. Fischer in Salt Lake City?

A Either to his account in Salt Lake City or to Mr. Artiano's account in Washington.

Q Were your checks made to Mr. Fischer personally, or were they made to David C. Fischer and Associates?

A I don't really remember. It's academic.

Q Just so we can clarify for the record, I take it that you made -- of this $20,000 a month, did you make a portion of that $20,000 by payment to Mr. Fischer and a portion of that to Mr. Artiano each month, or did you make a lump sum payment that they split amongst themselves?

A Initially, I made lump sum payments that they split amongst themselves, and then it was up to each one of them to make cash calls. And whatever their cash call was, that is what I paid, simply that their request for payment was met by a payment.

Q Were payments to Mr. Artiano made to him personally, to the best of your recollection?

A I think so.

Q Did you ever make any payments to the law firm of Anderson-Hibey?

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A I think I made a payment to Anderson. No, I don't think I have ever made a payment to Anderson.

Q Did you have meetings with Mr. Artiano during the first month after the beginning of the relationship?

A Yes.

Q Where did those meetings typically take place?

A Well, when they were just regarding our client, they would have been at IBC or at his office.

Q When you say "his office", you are referring to his office at Anderson-Hibey?

A Yes. And I also attended some meetings with him that he and Mr. Fischer had set up with officials or policy offices, and those would have been outside our offices.

Q How long did Mr. Fischer maintain offices at Mr. Artiano's law firm?

A I couldn't say for certain. I can't place a time on it.

Q Did he have a separate office at the law firm?

A I don't know.

Q What was your understanding as to the relationship, if any, between Mr. Fischer and the law firm of Anderson-Hibey?

A I don't think there was a relationship.

Q Other than the fact that he had an office there --

A Yes.

Q -- at least for a period of time.

Was there a time when Mr. Fischer took up an office residence at IBC's offices?

A Yes.

Q When did that occur?

A In late June or July of 1986.

Q So that was some time around the time that IBC and David C. Fischer and Associates entered into a joint venture arrangement?

A That's right.

Q Do you recall what the total fees were that were paid to Fischer and Artiano over the course of your relationship with them? Well, strike that.

Do you recall what the total fees that were paid to Fischer and Artiano pursuant to this business relationship that was struck between IBC and them in December of 1985?

A It would have been about $480,000.

Q And do you recall when those fees were paid?

A Over the course of the next probably eleven or thirteen months.

Q Was there a time when the fee payments of $20,000 a month were accelerated by IBC?

A Well, they had the right to accelerate it any time they wanted to, depending on what their needs were. It was for me a singular commitment.

Q So that if I understand you correctly, in December of 1985 you guaranteed to Fischer and Artiano $20,000 a month and you guaranteed to them payment for 24 months running from that time.

A Correct.

Q And if my multiplication serves me correct, that 24 months times $20,000 comes to $480,000. Is that correct?

A That's correct.

Q So that there was a lump sum arrangement in December 1985 of $480,000 payable to them. Is that correct?

A That's correct.

MR. DUDLEY: I have a little trouble with the phrase "lump sum" there. There was a total commitment to pay that.

MR. KAPLAN: I'll take that clarification.

BY MR. KAPLAN:

Q Was there a total commitment made in December 1985 that IBC would pay Fischer and Artiano that amount, pretty much regardless of what happened?

A Well, as long as they continued to work with the client.

Q Okay. And that was part of the understanding in your original relationship.

A Yes.

Q And pursuant to that total commitment though, as I understand your testimony, is it correct to say that Fischer and Artiano had the right to call upon IBC to make payments of amounts up to that $480,000 at any time during their performance of services under that original business relationship?

A Well, they had the right, but obviously, if they had stopped doing the work, we would have not been amenable to the call.

Q Right. But assuming that they did continue to do the work --

A Yes, they had the right to call, and they did on occasion call for large sums.

Q If they had come to you three months into the relationship and called on the entire $480,000, would IBC have paid to them under the terms of their relationship that $480,000?

MR. DUDLEY: Objection; that is speculative.

THE WITNESS: Yes. That's a hypothetical. I wouldn't answer it.

BY MR. KAPLAN:

Q Was there a time in which they called more than $20,000 a month?

A I think there was at least one occasion -- well, maybe as many as two or three.

Q Did IBC pass through all the payments to Fischer and Artiano to NEPL?

Do you understand what I am asking?

A No.

Q Was NEPL charged for Fischer and Artiano's services that IBC paid for?

A Yes.

Q In total?

A In regards to the client relationship that we discussed earlier, yes. There was an additional relationship at a later point in time.

Q Okay, which didn't involve NEPL?

A No. It involved IBC clients in general.

Q I see. And the $480,000 that was paid to Fischer and Artiano under this original business relationship that was struck in December of 1985, was that $480,000 charged to NEPL by IBC?

A That's correct.

Q Okay.

Did you have an understanding that Fischer and Artiano were being paid based on a number of meetings with the President that they were able to arrange?

A No.

Q Do you know whether anyone else had that understanding?

A At some point we actually held a meeting because Spitz or Dan Conrad -- I have forgotten which -- had said something similar to that, and we actually held a meeting in my conference room, in which Marty Artiano quite avidly dissuaded them of that notion, and I remember him saying "I have no idea how this got started but I want it to be clear that that's not why we were brought into this." And it was agreed that that was the case, and the meeting was ended.

Q When did that meeting take place?

A We were in our new office. So it had to be after January.

Q Of 1986?

A Yes.

Q What was Channell's response?

A I don't think he particularly liked the direct nature that Marty used to discuss it with him, and aside from that, I think he was in agreement.

MR. McGOUGH: Would you mind if I interjected here because I have the sequence I think a little more clearly.

MR. KAPLAN: Go right ahead.

EXAMINATION BY COUNSEL FOR

THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q There was originally the agreement for $20,000 a month. Is that correct?

A Correct.

Q There then was a meeting you had with Mr. Channell that you mentioned before at a conference table where you told him that over the next six months you were going to charge him $20,000 a month plus $50,000 a month.

A That's correct.

Q When did that meeting take place?

A It had to be in December because we were in our old offices.

Q So you had the meeting in December where you told him that was the arrangement. What was his response to that offer or request?

A He wasn't happy about it.

Q I think you said December of 1986. You mean December of 1985.

A Correct.

Q Did he ask you anything about what Fischer and Artiano might do in exchange -- or if he, in fact, were to pay $70,000 a month? Did he ask you anything about their capabilities?

A Your time frames are reversed because he was the one that set the work product necessary to his program. So he had already identified what he wanted to have done.

Q There was a time when he thought he was going to pay $20,000 a month. Is that right?

A Initially, when I spoke to Mr. Artiano and Mr. Fischer, we were talking about $20,000 a month.

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Q And did you relay that on to Mr. Channell?

A I think initially I did relay that to Mr. Channell.

Q Then you came back in December of 1986 and said that for the next six months you were going to charge him $20,000 a month plus $50,000 a month.,

A Correct.

Q And Mr. Channell wasn't happy with that.

A That's correct.

Q Did Mr. Channell ask you anything about Presidential meetings at that meeting in December of 1986 -- 1985. I'm sorry.

A He may well have. I don't have a specific recollection, but again you have got the cart before the horse. I don't want to use any particular analogy.

The work product that Mr. Channell was demanding had already been discussed prior to that meeting.

Q I understand that, and I understand that Presidential meetings may well have been discussed prior to that meeting. But my question is: When you broached that proposal with him in December of 1986, the proposal being $20,000 plus $50,000 -- in 1985 -- when you broached that proposal in December of 1985 for $20,000 plus $50,000, did he ask in response anything about Presidential meetings?

A Again, not that I specifically recall, but Presidential meetings were part of the previous discussion of the

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work product that he needed. So it is entirely possible but I don't recall a specific exchange on it.

Q Do you recall a specific exchange involving whether or not he would receive for Presidential meetings over the next four months?

A I remember he wanted the President at events over the next four months, and I think ultimately six or eight months. But he -- yes.

Q That was at the December 1985 meeting.

A Yes.

Q And what did you tell him about the President's availability over the next four months or six months? I mean, did you tell him that you would have to check with Fischer and Artiano as to whether that was possible?

A I don't recall whether I said that to him or not.

Q Did you make any response at all to him?

A Again, I don't recall the specific exchange. So I don't recall. But again, he understood going into that meeting that he was requesting as part of his work product meetings with the President.

Q I understand that. But I am focusing on the December meeting, and all I want to know is whether you have a recollection as to that meeting of Mr. Channell asking in response to your proposal for $70,000 a month about the President's availability for meetings over that same time period, over the next four to six months?

A I don't have a specific recollection.

Q Did Mr. Channell agree to that amount at that meeting, or did you have to go back and get further information from Mr. Artiano and Mr. Fischer?

A I recall him agreeing at the meeting. In fact, I recall him leaning on my fireplace and saying he was not happy about it, but that he was willing to pay it.

Q Did he indicate what he expected in exchange for the additional payment?

A I don't remember a specific exchange about what he expected for the additional payments.

Q Did you come away with a sense that he expected any additional effort on the part of Mr. Fischer or Mr. Artiano or any tangible work product from that?

A Yes, but it wasn't any different than the same expectations going into the meeting.

Q So you don't recall him having any additional expectations for the additional $50,000 per month?

MR. DUDLEY: "Additional" may be wrong here. It is [?] escalated $50,000.

MR. OLIVER: He used the word "additional" earlier.

MR. DUDLEY: I know he did and I let it go by and I shouldn't have.

BY MR. McGOUGH:

Q I am trying to understand you had struck a deal in November to provide certain services, in November of 1985 to provide certain services for $20,000 a month.

A Right.

Q Within one month you come back --

A In probably less than one month.

Q In probably less than one month you come back and say, "No, the price is now $70,000 per month." I'm trying to get at whether in exchange for that increase in at least monthly installments or that compression of the money whether Mr. Channell spoke in terms of additional results or additional effort or additional work product from Mr. Fischer or Mr. Artiano. Or did he say, "No, that's okay; I will pay $70,000 for what I originally thought we were going to get for $20,000."

A Again, counsel, I am not trying to be evasive but the meeting was predicated on the fact that there was a great increase in the amount of effort that Mr. Channell expected over the next six months. And it was my requirement that he pay this extra money associated with that effort.

Q So it was Mr. Channell who had set the predicate for the meeting as being additional effort over the next six months?

A Oh, yes.

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Q What were the additional efforts that he was asking for over the next six months?

A Well, initially when we went to Fischer and Artiano, first of all, we had to retain them to even begin the discussions. So that I remember clearly. And initially they thought they were doing mostly advice and counsel. When it became clear early on in their first meetings with Mr. Channell that he had a very long agenda with a lot of work elements associated with it, that required a lot of time on their part and a lot of contact with very senior officials and their credibility on the line and so forth. That's when they suggested that they were going to have to have a two-year commitment from me, and I agreed to that.

This is all within probably one to three weeks.

Q All right. This was before a deal was struck for $20,000 a month for two years.

A At that point, the deal was struck for $20,000 a month for two years.

Q We're at that point.

A Right.

Q I'm just trying to follow the sequence through. The coming up on this meeting in December of 1985, Mr. Channell made additional demands on them.

A I guess my problem is that I am looking at a maximum of three weeks, probably about a two-week period where it became clear that the amount of work that Mr.

Channell was requiring was greatly in excess of what he had conveyed to anyone before.

Q I know we have to focus on that. What I am trying to get at is the difference between the work he had conveyed before and the work that now led up to this December 1985 meeting where the payments were compressed. What was the difference in what he was asking before?

A Before all he was asking for was advice and counsel.

Q Advice and counsel on what?

A On his programs, just on the substance of his programs.

Q And it didn't involve Executive Branch liaison?

A No.

Q It didn't involve setting up meetings with the President?

A No.

Q After in that two to three-week period leading up to the December 1985 meeting, he changed or he increased the demands upon them. Fair enough?

A I will give you that if you don't keep your list only two items long.

Q Fine. But he made additional demands.

A Right.

Q And was the predicate for the December 1985 meeting?

A Right.

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Q And at the December 1985 meeting one -- or leading up to the December 1985 meeting, one of the additional demands was Executive Branch liaison?

A That's correct.

Q And one of the additional demands was assistance in setting up meetings?

A That's correct.

Q And there were other demands as well.

A A tremendous number of other demands.

Q A tremendous number of other demands. And in exchange for those additional efforts you asked for an increase in the monthly payments from $20,000 a month to $70,000 a month over the next --

A Correct.

Q -- six months. And in that context was there any discussion of the number of Presidential meetings that Mr. Fischer or Mr. Artiano might be able to set up over the course of the next four to six months?

A I don't remember a specific exchange about the number of Presidential meetings. I recall that Mr. Channell was anticipating having at least one event a month like the one he had in January.

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Q And did he inquire whether or not the President -- whether or not Mr. Fischer or Mr. Artiano might be able to arrange for the presence of the President at one or more of those events which would work out to one or more a month over the next six months?

A I don't recall a specific exchange as you have just characterized.

Q But the schedule for the events over the next six months was certainly a topic of conversation, was it not?

A Mr. Channell had anticipated having one of these events one a month for the next six -- originally four months and then six months.

Q And he wanted the President to attend those, did he not?

A If possible, yes.

Q And at some point you would have discussed, would you not, with Mr. Fischer and Mr. Artiano their ability to arrange for the President's presence at those meetings. Correct?

A I think you have to rephrase your question.

Q I guess what I am saying is you would have asked them, "Hey, Marty, hey, Dave, Channell plans a series of events over the next six months. Is there any chance you could have the President attend" or something to that effect.

A I think it was more a matter of us laying out or me laying out for Marty and David the total agenda that Channell had over the next six months, and they felt confident that they could help meet it.

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Q And that agenda included, at least ideally, arranging for the President to attend Channell's events.

A Well, there were a lot of ideal items on it, and several which never happened.

Q I understand. But one of the items would have been that.

A Yes.

Q And you would have discussed those ideals with Mr. Artiano and Mr. Fischer, would you not?

A We would have discussed the agenda in general. I don't think I would have ever questioned whether or not they could deliver on the agenda if they said they could.

Q But they would have indicated that they could deliver. You said you wouldn't have questioned them if they said they could. Did they indicate that they could do that?

A You and I have used "if" and "would" about ten times in the last three sentences, and I am telling you I don't recall a specific exchange, and I just want to leave it at that. I mean, I don't think I would have challenged them on whether or not they could deliver on something. I don't think I would have asked them specifically whether they could deliver on something.

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Q Would they have told you about their capabilities as far as bringing the President to Mr. Channell's events?

MR. DUDLEY: I object to the form of the question.

I will let him answer did they tell you.

BY MR. McGOUGH:

Q Did they tell you?

A I don't recall them specifically telling me that.

MR. McGOUGH: I think I have pretty well played out that.

MR. KAPLAN: I just have two follow-up questions on that area, and then I want to move on.

EXAMINATION BY COUNSEL FOR

THE SENATE SELECT COMMITTEE (Resumed)

BY MR. KAPLAN:

Q Did Mr. Channell tell you in this meeting that occurred in early 1986 how he arrived at the understanding that he apparently had arrived at that he would be paying $50,000 for meetings that could be set up with the President?

A I don't think what we were trying to dissuade him of was that he was paying $50,000 a meeting. What we were trying to dissuade him of was that the sole reason he had hired Mr. Fischer was to set up meetings with the President.

Q Did Channell tell you how he arrived at that understanding?

A No.

Q How did you learn that Channell was holding this understanding of his business relationship with Fischer and Artiano?

A I think it was an errant comment made by him to either Mr. Fischer or myself or Mr. Artiano.

Q Okay. And that's what gave rise to the meeting?

A Yes. It was an attempt to nip it.

Q And you described the meeting earlier in your testimony here today.

A Yes.

Q Let's move on.

Do you know a Richard Secord?

A Well, I met him on the street one time and I talked to him on the phone three times.

Q When did you meet him on the street?

A About a week ago.

Q How did that meeting come about? Was it a chance meeting?

A It was very chance and it was a simple handshake and a wish for good luck to both of us.

Q Did he know who you were when you introduced yourself?

A I don't think he recognized me immediately but shortly I think it dawned on him who I was.

Q Did you meet him on the street someplace around Dupont Circle?

A Yes. I have spoken to him on the phone, as I told you in past meetings, I guess, about two or three times.

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MR. KAPLAN: Let the record reflect that IBC's offices are near Dupont Circle as are General Secord's counsel's offices.

Off the record.

[Brief discussion off the record.]

MR. KAPLAN: Back on the record.

BY MR. KAPLAN:

Q In what context did you have phone conversations with Mr. Secord previously?

A Well, I didn't know it was Mr. Secord at the time during the al-Masoudi business. I eventually got to the point --

MR. KAPLAN: What I would like to do actually is to go on for about five more minutes and then take about a ten-minute break.

THE WITNESS: The supposed oil contract needed to be checked out and I asked Colonel North if there wasn't somebody that couldn't in an official capacity check it out. And he gave me a number in Northern Virginia and said, "Call this and ask for Mr. Kopp", and I did, and they took my name and number and then called me back, or rather he called me back. I gave him the account number or the contract number, and he called me back in about a week-and-a-half or two weeks to tell me that the contract did not exist.

BY MR. KAPLAN:

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Q Do you recall the third phone conversation you had with Mr. Kopp?

A I called him about -- well, no, those were the only ones I had with Mr. Kopp. I had one other phone conversation with him about a month ago.

Q What gave rise to that conversation?

A I had a film idea and I wanted to discuss it with him.

Q Why did you discuss General Secord to discuss the film idea with him?

A Well, I figured with he on one side of this network and me on the other, we would pretty much cover the details associated with it. It has gone nowhere than a phone conversation.

Q Is it an idea that relates to some of the activities under investigation by these Committees?

A Of course.

MR. KAPLAN: I am going to ask the reporter to mark as Exhibit Number 25 a copy of a page of notes that was produced by your counsel to us.

(Whereupon, Deposition Exhibit Number 25 was marked for identification.)

BY MR. KAPLAN:

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Q Can you identify those notes?

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A Yes. That is from a notebook that I kept during the al-Masoudi period.

Q Okay. Do you recall the context in which these notes were written?

A It was a conversation with Mr. al-Masoudi.

Q Did Mr. al-Masoudi tell you the information that is contained in the item numbered 1, which says "Paid order to Credit Suisse", and then it has the name Kopp underneath?

A Yes.

Q Did Mr. al-Masoudi know this Mr. Kopp?

A He met him in Geneva.

Q And was this a request, and does this note reflect a request from al-Masoudi for you to send some money to him in care of Credit Suisse and Mr. Kopp?

A No.

Q Do you recall what this note reflects?

A Barely. It's vintage al-Masoudi. It's some bright idea he had to give Mr. Kopp some money.

Q Did he tell you what he was going to give Mr. Kopp some money for?

A No, but I am assuming that he had put two and two together and assume that Mr. Kopp was in some way related to Mr. North and the Nicaraguan resistance.

Q When did you learn that Mr. Kopp was the same person as General Secord?

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A I think it was the same article as the H. Ross Perot revelation.

Q That's in December of 1986.

A Yes, but it was about that period anyway.

Q Were you aware at the time that you were handling some transactions between IC, Inc. and Lake Resources, and that Mr. Kopp had an association with Lake Resources?

A Well, I think from the al-Masoudi business I had some inkling, but nothing substantial or specific.

Q Did Mr. Kopp's name ever come up in conversations between you and Colonel North or you and anyone else in connection with your contra funding activities?

A Well, subsequent to the checking out of the oil contract, Colonel North said that he sent somebody to see the real Ibrahim al-Masoudi in Saudi Arabia, and I believe he told me it was Mr. Kopp.

Q Any other times that you recall his name being mentioned in connection with your contra funding activities?

A I'm not remembering any right now.

Q How well did you know William Casey?

A He fired me one time. He furloughed me, as you were so nice to put it before.

Q Aside from that, how closely did you work with him during the campaign, that is the 1980 campaign?

A In 1980, not very closely.

Q Did you have any subsequent dealings with Mr. Casey?

A No, not directly.

Q What dealings would you have had with him possibly indirectly?

MR. DUDLEY: I object to the form of the question.

THE WITNESS: Well, there was an indirect dealing and that was that Mr. Fischer set up a meeting between Mr. Channell and Mr. Casey to discuss an idea that Mr. Channell had for doing a film on the Central Intelligence Agency.

BY MR. KAPLAN:

Q And I take it to your knowledge nothing ever materialized about that film idea?

A No. I shy away from films about the Central Intelligence Agency.

Q You described yesterday some contacts and communications you had with a fellow named Roy Godson.

A Yes.

Q Are there any other contacts you had with Mr. Godson than the ones that you described yesterday?

A Not that I had, but I think Frank had some brief contact with him at about the time they produced their book on Soviet disinformation.

Q Have you ever had any contact with Vice President Bush?

A I have met Vice President Bush.

Q Any substantive contact with him?

A Well, Mr. Conrad, Mr. Channell and myself went to see Vice President Bush. Mr. Channell requested the meeting. Mr. Fischer, Mr. Artiano and myself set it up. I went; we were presenting to Vice President Bush a survey of the Select 500 which is a Channell survey system of senior contributors to try and get some sense of the conservative activist heartbeat, senior conservative activist heartbeat. And we went and presented that to him, and also described the Central American Freedom Program and suggested that he might try and attend one of the briefings. And he said that if it fit his schedule, he would. We subsequently tried and it didn't fit his schedule, so he didn't.

Q Who arranged the meeting for you with Vice President Bush?

A I think it was a collective effort of myself, Mr. Fischer and Mr. Artiano.

Q Have you ever met Donald Gregg?

A No, I don't think so.

Q Have you ever had any dealings with Felix Rodriguez?

A No.

Q Did you have any knowledge of the Iranian arms' sales prior to public disclosure of those sales?

A No.

Q Did you have any knowledge of what is commonly

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referred to as the diversion of proceeds from those arms' sales to the contras prior to public disclosure of that activity?

A Unfortunately no.

Q Did you have any knowledge of any third-country solicitations that took place by United States Government officials prior to the public disclosure of those solicitations and aside from the reference to third-country solicitation to which you testified back on June 23rd?

A Of June 23rd?

Q Do you recall on June 23rd you testified that in your conversation with Colonel North on Friday, November 21st, he made a reference which you didn't understand at the time, that he had given one to Secretary Shultz and Secretary Shultz hadn't done so well on it. Do you recall that testimony?

A I do.

Q Aside from that conversation, did you in 1985 and 1986 have any knowledge of any third-country solicitations --

A No.

Q -- made by the United States Government personnel?

A No.

Q Did you have any knowledge of any third-country solicitations on behalf of the contras made by anyone during 1985 and 1986?

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A [redacted]

MR. DUDLEY: To the extent that the al-Masoudi effort could be considered a third country --

MR. KAPLAN: Why don't we take a break here for five minutes.

Off the record.)

[Brief recess.]

MR. KAPLAN: Let me ask the reporter to mark as Deposition Exhibit 26 a copy of what purports to be two telexes from you and Mr. Gomez to an Anthony K. Devine in the Cayman Islands.

(Whereupon, Deposition Exhibit Number 26 was marked for identification.)

BY MR. KAPLAN:

Q I'm just going to ask you if you could briefly tell us for the record what gave rise to the two telexes that are represented by Exhibit 26.

A I went to see Colonel North after the Hasenfus plane was shot down, and, as I recall, he was pretty frantically working around the office, and I sat at the conference table for some time, and I got in one question, which was: Was that one of our planes, meaning one of the planes that

NEPL had raised money for? And he said, "Sure was", or something to that effect; I have forgotten exactly what it was he said, but his answer was affirmative.

And he was talking to somebody on the telephone, frantically trying to find a way to find an American citizen to give $10,000 to the United States Embassy to reimburse Consular Affairs to bring the bodies of Mr. Walker and the other individual back to the United States. There are usually -- I am aware of this because of my work at AID -- there are usually mortuary responsibilities that are absorbed by the Consular Affairs Office in the Embassy, and the individual family is responsible for reimbursing it.

And I looked at him and I said, "Why are you going through all of this pain and aggravation? Why don't you just give me the account number and I will transfer the money from IC, Inc.?" And he thought for a second and he said to the person that he was talking to on the phone, "I'll call you back." And it just hadn't dawned on him to do it. So he called back and asked who the money should be sent to.

I don't know who he was talking to on the other line. It may have been this Mr. Walker. And this is the information that he got. I went back and sent a telex that night or the next day, and he then called me on the phone and said, "Has that transaction taken place yet?" And I said, "I have sent the telex." And he said, "Can you pull it back?"

And I said, "I think so." And he said, "Please cancel it."

Q Did he tell you why he wanted you to cancel the telex?

A No.

Q Did you ask him why?

A No.

MR. OLIVER: Can I follow up just on that particular thing?

Mr. Miller, after you cancelled that telex, did you notify Mr. Walker either directly or indirectly that it had been cancelled?

THE WITNESS: I never discussed it either way with Mr. Walker. I never talked to Mr. Walker about it.

MR. OLIVER: Did you discuss with anyone else contacting Mr. Walker?

THE WITNESS: I don't believe so. No, I didn't.

MR. OLIVER: You didn't instruct anyone to notify the State Department or Mr. Walker that the telex had been cancelled or that other arrangements had been made?

THE WITNESS: No.

MR. OLIVER: Thank you.

BY MR. KAPLAN:

Q Did the initials [illegible] refer to an aircraft?

A I believe so.

Q Do you know what kind of aircraft they refer to?

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A C-9, I really don't know what configuration it is.

Q Do you recall a conversation with Colonel North in the summer of 1986 in which you would have informed him that a C-9 was on standby?

A A C-9 was on standby?

Q Yes.

A I don't think so.

Q Would he have given you any information to that effect?

A When? February?

Q Summer of 1986.

A It may have been in regards to the al-Masoudi matter.

Q No, in 1986.

A Oh, 1986?

Q Right.

A It could have been one of the heavy-lifting operations. There was one point when he had an extremely urgent need for money and nothing was moving until the money got there, and that may have been the instance in which --

MR. KAPLAN: Okay. I am going to ask the reporter to mark as Exhibit 27 a copy of a document that was produced to us by your counsel. It is typewritten, and it is headed at the top "Statutory Provisions on Contra Aid".

(Whereupon, Deposition Exhibit

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Number 27 was marked for
identification.)

BY MR. KAPLAN:

Q Do you recognize this document?

A Yes.

Q Can you tell us what the document is?

A I got this document since Colonel North left the NSC.

Q Do you know who prepared it?

A I don't.

Q Where did you get the document from?

A I honestly don't remember. I may have gotten it from Frank Gomez.

Q Did you ask Gomez for the document?

A No, but lots of times when he had something, he just provides it to me if he knows I'm working on it.

Q And for what purpose did you receive this document, or for what purpose did you ask for this document?

Let me back up a minute. How did this document come into your possession?

A I don't remember specifically how it came into my possession. My use of it was general information. I was trying to produce a time line for Mr. Channell's ads, and I needed across the bottom legislative landmarks and Administration policy landmarks, and I think that's what I used this

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for. I produced that in January, I think.

Q Okay.

And is it fair to characterize the document as a description of the variety of statutory provisions dealing with contra aid or prohibitions of aid to the contras by the United States Government?

MR. DUDLEY: I object to the form of the question. I think the document speaks for itself, and I'm not sure he is competent to answer the question framed in those terms.

BY MR. KAPLAN:

Q What did you consider? What kind of information did you consider this document to provide you with?

A Items of note in the legislative process associated with aid to the Nicaraguan resistance.

Q Did you have any knowledge of hostage rescue efforts, that is rescue efforts of the hostages held in Lebanon prior to the public disclosure of some of those hostage rescue efforts during the course of these investigations?

A Yes.

Q First, I am going to ask you whether you were ever asked to provide any money to extricate the hostages that were held in Lebanon?

A I was asked to provide money that was used in an effort to extricate hostages from Lebanon.

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Q Why don't you tell us first what knowledge you had of any hostage rescue efforts prior to their public disclosure late last year?

A In the summer of 1985 when I began working with Ibrahim al-Masoudi on this oil contract that was to provide assistance to the Nicaraguan resistance, I flew to Fresno, California for meetings with Mr. al-Masoudi. And while I was there the TWA hostage crisis unfolded in Lebanon, and Mr. al-Masoudi immediately offered to assist in securing the release of those hostages. He gave me a fair amount of information which I passed on to Colonel North by telephone. Colonel North indicated that the information seemed a track. "Track" is a word of art; it seems to be associated with activities that Colonel North conducts.

And as the crisis unfolded, al-Masoudi began to broaden his offer to help at that point five hostages held in Beirut by terrorists. And all the information I got from al-Masoudi -- whether it was names, places or numbers or whatever -- I tried to pass those on as often as possible daily to Colonel North, and in one instance to the Task Force that was set up at the Federal Bureau of Investigation for the TWA crisis.

Q How did you know about the Task Force that had been set up at the FBI?

A There was a piece of relevant information that al-

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Masoudi had, and they wanted to discuss it with him. And I don't know whether North -- I don't know who told who to do what, but I was told to call the Task Force, and they set up a meeting with al-Masoudi in Houston, I believe.

Q Do you recall who you spoke to at that FBI Task Force?

A I don't remember the agent's name, but they certainly would have records of it. They sent field agents to interview al-Masoudi in Houston.

Q Did you attend those interviews?

A No.

Then when we went to -- when al-Masoudi and I went to London and [redacted] al-Masoudi had made an offer while we were [redacted] to try and help in some form of a rescue effort that the DEA agents were involved in, and it required on one occasion $15,000 and on another I think $5,000 or $10,000. And I transferred that money initially, the $18,000 in travelers check sent by DHL Courier, and subsequently the other monies, I think, were transferred via the American Express offices in Geneva.

Q What DEA agents are you referring to? Can you tell us their names?

A Well, the only one I remember is [redacted] who flew with us to London, and then flew onto [redacted] later.

Q When you sent travelers checks to support the operation, who requested the money?

A Al-Masoudi requested it. I discussed it with North and he approved me of sending it.

Q What were the source of funds for those travelers checks?

A That was money that had been provided by NEPL.

Q Was Mr. Channell or Mr. Conrad ever told that some of the money that they provided was used for hostage rescue efforts?

A No.

Q You referred, I believe, to approximately $18,000 worth of travelers checks that were sent by DHL Courier [redacted]. Were those sent toward the end of August of 1985?

A I think that's correct.

Q Was there a later traveler check transfer also by DHL Courier to al-Masoudi of $5,000?

A Yes.

Q Would that have occurred early in November 1985? Or did that occur early in 1985?

A There was a transfer, I think, in November that wasn't completed. He never picked them up because he was in jail.

Q November 1985?

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A I have forgotten exactly when that pick-up was, but we got back $4,500 of that because he had been arrested, and it was at the time of the Summit. So I think the Summit was in November.

Q Do you recall having filed a Treasury report form nonetheless for that transfer?

A Yes.

Q Was there also a transfer about five or six days later of $9,000 of travelers checks by DHL Courier to al-Masoudi?

A I don't remember through DHL.

Q Okay.

Does it refresh your recollection if I told you that we have from the Department of Treasury the various CMIR filings that you made? That's currency and monetary instruments reports' filings to what you have testified earlier. And they show $18,500 on August 30th by DHL Courier to al-Masoudi, $5,000 again travelers checks on November 1 by DHL Courier to al-Masoudi, and $9,000 again travelers checks by DHL Courier to al-Masoudi on November 6, 1985?

A Yes.

MR. DUDLEY: Do you understand his question? People are frequently confused refreshing recollections. The fact that he has got a record that shows this doesn't mean that you remember it.

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His question to you is: His having told you about the record, do you now remember it?

THE WITNESS: I remember that we filed three forms.

BY MR. KAPLAN:

Q Were those checks all sent at al-Masoudi's request?

A Yes.

Q Was each transfer of travelers checks to which you have just testified approved by North?

A Yes.

Q I am going to take you back to your initial dealings with al-Masoudi. What did he propose to you in terms of the business venture?

MR. DUDLEY: As a starting question, I am not wildly enthusiastic about that one. My problem with it is that I am not sure that the first proposal is accurately characterized as a business venture. There are later proposals I think that are more accurately characterized that way.

MR. KAPLAN: I will withdraw that question.

BY MR. KAPLAN:

Q I believe that you testified earlier that your first meeting with al-Masoudi occurred some time in April of 1985, and that he had been referred to you by Colonel North.

A Actually, I think I testified that it was early in April or late in March of 1985.

Q Okay.

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A We had two meetings with him, the second where he signed this letter.

Q Did you meet with al-Masoudi shortly after he had been referred to you by North?

A I think it was the same day.

Q Okay. Did someone accompany al-Masoudi to that meeting?

A Kevin Katke.

Q How would you describe Kevin Katke?

A You mean, what was his role in the meeting?

Q Who is Kevin Katke?

A Kevin Katke to my understanding at that moment was a business agent of al-Masoudi.

Q Have you come to any other understanding as to what Kevin Katke does?

A Well, I was told by Colonel North that he had attempted to enter in the Central Intelligence Agency and had been rejected, that he was unreliable because he tended to talk about people whom he had no real connection with or no right to claim a connection with, and sort of an Intelligence community gap line.

Q During your initial meetings with al-Masoudi, did he tell you what his interest was in meeting with you?

A Al-Masoudi's?

Q Yes.

A Did al-Masoudi tell me what al-Masoudi's interest

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was?

Q Yes.

A Yes.

Q What was that interest?

A Well, it was a little difficult to understand at first because al-Masoudi was speaking pigeon English and Katke who doesn't speak Arabic or whatever, Farsi, was translating. So it was a very unusual circumstance and it made it a very difficult meeting. It probably lasted an hour and it could have lasted five minutes. But basically, al-Masoudi held himself out as the Prince of Jedda, Ibrahim al-Masoudi, Senior Saudi prince, and he had a royal family allotment oil contract, of which he wanted to donate $14 million in the proceeds to the Nicaraguan resistance. And he asked if we could assist him in doing that, and we said yes.

Q What did you understand the form of your assistance to be?

A I didn't really know at that point.

Q And what did you come to understand that the form of your assistance would be?

A Well, I discussed it subsequently with North, and we decided to have me meet him the second time, and to have him make whatever the formal offer was, and the second time he came to see me, I suggested to him that he not bring Mr. Katke, and he agreed.

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And this time he brought with him a gentleman whom he introduced as his attorney. The gentleman gave me a business card that indicated that he was President and Chairman of the Board of the William Penn Bank in Philadelphia. And Katke had told me in a telephone conversation that Mr. al-Masoudi was attempting to buy an interest in this bank. So that was pretty good bona fides to show up with the Chairman of a bank in Philadelphia.

Q Did al-Masoudi propose a business relationship at that second meeting?

A He proposed a contract letter which he dictated in Arabic to my secretary who spoke Arabic, and she translated it into English, and it called for a total of $15 million to be paid to IC, Inc. And again the name IC, Inc. was chosen at the conference table at that moment.

I hadn't been to the Caymans; I hadn't selected a name. And the increase of $1 million was subsequent to a conversation with North where I indicated that Frank and I were willing to undertake this, but we weren't about to risk life, limb and professional reputations without some compensation for it, and we were going to require that this individual pay an additional $1 million.

And he agreed to that. So the subsequent contract from al-Masoudi to us said enough liftings in order to equal $15 million. It was a fairly short letter.

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Q Was the understanding that $14 million would go to the Nicaraguan resistance and $1 million would go to you and Mr. Gomez?

A That's correct.

Q What was your understanding at that time or shortly thereafter as to the nature of services that you would be called on to perform?

A I can't put a specific finger on them, but al-Masoudi was a very demanding individual. He called every 15 minutes with a new problem. He required us to carry the ball in meetings with people who spoke English and to handle the financial transactions.

Q If you can, explain briefly what the nature of these transactions was intended to be. You mentioned an oil contract worth $14 million, and I am not --

A Well, the contract was --

Q I was going to say that I am not familiar with the way oil gets sold from Saudi Arabia.

A I have to tell you, counsel, neither am I.

Q Okay.

A After all of this, I still have no idea how it is really done.

Q What I am curious about is how was this $14 million going to be generated?

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A Well, apparently -- and this was the reason for the

Chairman of this William Penn Bank, unbeknownst to us prior to this meeting -- they were going to be responsible for the financing of this contract. And according to al-Masoudi, the financial end of the transaction is the one that pays out the commissions or associated fees.

The actual money that he was supposed to get from it was quite a bit more than $15 million, a certain amount of money -- I don't know, $60 or $70 million.

Q Was the expectation that you would market this contract?

A No, not initially. What happened was that subsequent to that meeting, he then called and told me that Mr. Katke had been in charge of marketing and failed. And he had asked if we could assist him in marketing the oil contract. I didn't have anybody else to turn to. So I agreed that we would try and do that, and I contacted my stockbroker and asked him how it was done. He suggested that his firm wasn't involved in that type of transaction, and suggested another brokerage firm, Merrill Lynch.

I got in touch with the Merrill Lynch commodities' brokers. They told me how an offer to sell is written up. I produced it for them. They then put me in touch with a couple of brokers who then asked the appropriate question, which was what is the contract number, something al-Masoudi was unwilling to give them for a whole host of reasons, which he claimed all to be legitimate. I had no way of knowing whether they were or weren't.

And he then subsequently called and told me that the time had expired on his oil contract and that the deal was off. And I then in a very short period of time later got another phone call from him, and he told me that he had gotten a new oil contract and, to prevent the problems that had actually gone on before, he had actually got it in the name of International Business Communications.

I wasn't any further along in my understanding of how to do oil contracts, but in the interest of helping the resistance, we accepted the fact that it was in our name. And I flew out to Fresno to meet with him to try and get some more information on it. And while I was in Fresno, I participated with him in several phone calls and he sent repeated telexes and offers to sell to different refineries and so forth and so on. And I was an observer during most of that period.

Q Just so we can clarify for the record. When you talk about marketing an oil contract, is that the same thing as selling oil to someone?

A Precisely.

MR. DUDLEY: Are you sure you can make that statement? Precisely?

THE WITNESS: You said when "I talk about."

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MR. DUDLEY: Oh, okay.

[Laughter.]

MR. KAPLAN: I was just asking for Mr. Miller's understanding.

THE WITNESS: It was a wonderful day, sitting in front of FBI agents, trying to explain to them that I had no idea whether anything that was said to me before is truth or fiction.

BY MR. KAPLAN:

Q Was the idea that the prince could deliver on some oil, and that you and he were going to attempt to find purchasers of that oil, and that some of the proceeds from the sale of that oil would be given to the resistance, to support the resistance, and $1 million of the proceeds from the sale of that oil would be paid to IBC?

A I'll accept the entire litany except for the first item. It was his oil contract, supposedly under Saudi Arabian law it belonged to him, it was his oil, and so what was represented was the profit was about 60 to $70 million to him.

Q The profit of 60 to $70 million was to him. He could deliver on the product, that is, the oil, at least that was his representation?

A Correct.

Q $14 million of the profit was going to go to the contras through IC, Inc.?

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A Correct.

Q And $1 million of the profit was going to go to IBC?

A Correct.

Q Okay. Would it refresh your recollection as to your initial meeting in Fresno, if I told you that the Committee has documents indicating telephone calls from you to Colonel North, from a number with the area code 809, which I believe is Fresno's area code, in early May of 1985?

A That's probably my first meeting.

MR. DUDLEY: First trip to Fresno?

THE WITNESS: First trip to Fresno, right.

BY MR. KAPLAN:

Q Was al-Masoudi referred to by any code name between you and North?

A I called al-Masoudi "Jewel." He wore a ring that had 17 diamonds on it, seventeen one-carat diamonds, so I called him Jewel.

Q Did North refer to al-Masoudi as Jewel, at least in conversations with you?

A With me, yes.

Q Did you keep North regularly apprised of your dealings with al-Masoudi?

A You bet.

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Q You kept him apprised of your dealings with al-Masoudi, both with respect to this marketing of the oil contract and with respect to al-Masoudi's information about the location and possible release of the hostages held in Lebanon?

A That, and in addition to that, a gold contract which he began to try and supplement his failure to deliver on the oil contract, and also, his description of himself and other individuals associated with the Saudi Arabian nation, and I hoped that it could be checked out by somebody who knew what they were talking about.

Q You travelled to England in the summer of 1985 with al-Masoudi and with a DEA agent?

A That's correct.

Q Did you go on, in that trip, from England [redacted] [redacted] with al-Masoudi?

A Yes.

Q What was the purpose of that trip?

A To finalize the oil contract, and the gold contract.

Q When did you begin to suspect al-Masoudi's bonafides?

A Well, I spent a whole weekend in the library, shortly after I met him, at the McKelden Library, at University of Maryland looking the guy up. The biggest problem you have with the Saudi royal family is that there are no books with pictures of any of them. They kind of like it that way, apparently.

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But I found him. In fact he was an imposter. He is a fraud, but he is an imposter, and he had studied his character fairly well. And everything that he had told us about himself was borne out in written form in the literature that I found. I took pictures of him with he and my wife, and then gave the pictures to North so that he wouldn't suspect that I was giving them to somebody to have him checked out. And we tried to--I tried to go home at night and take my notes, and compile summaries that could then be given to North so that he could check them out.

Q To your knowledge, were any other people at the NSC knowledgeable of your dealings with al-Masoudi? Of any of your dealings with al-Masoudi?

A It's possible Fawn may have heard the name in passing.

Q Do you recall any involvement of Howard Teicher with respect to al-Masoudi?

A Yeah, Teicher's name came out in the very first conversation with al-Masoudi and Katke, and the assertion from Katke was that al-Masoudi had provided the information that helped the Kuwaitis avoid the bombing attack on Amir. Anyway, he continually used Teicher's name.

And when I raised it to North, he told me that in fact this individual had been very helpful to Teicher, but he didn't elaborate on it. And when I would provide him what was

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intelligence details provided by al-Masoudi, he often remarked that that tracked, and that seemed to indicate that al-Masoudi was ahead of the news cycle, and therefore would have not known those things if he hadn't been in some way an active participant or had contacted people who were active participants.

Q Do you recall some time in June of 1985, when Teicher lent some assistance in obtaining a visa for al-Masoudi's brother?

A Well, al-Masoudi asserted that Teicher did that. I never bothered to check out whether or not he did.

Q Did you have any conversations with Teicher, directly, about al-Masoudi?

A I don't believe so.

[redacted]

And the only official response I ever got read back to me was that he had had one meeting at the Central Intelligence Agency, and their analysis was he was probably who he said he was, that he was a distaff prince who was a significant threat to the Saudi regime. But he was probably who he said he was.

BY MR. KAPLAN:

Q I want to go back to the trip that we just covered briefly before, in which you and al-Masoudi and a DEA agent, I believe named [redacted] travelled to England and then on to [redacted]

Did North arrange for [redacted] to accompany you?

A Yes.

Q Did you ask North to arrange to have a Federal agent accompany you? Or did North volunteer [redacted] to take this trip?

A I think he volunteered [redacted] and I think it had more to do with al-Masoudi's hostage business than anything else.

Q Did you know who [redacted] was at that time?

A I met [redacted] and somebody named [redacted]-and I can't remember the guy's last name--and--

Q Was it [redacted]?

A Yes. In North's office.

Q When did you meet them?

A It was prior to the trip. I don't know how much prior to the trip. But I was asked to recount for them what al-Masoudi had told me about the hostages.

Q Did you know at that time, or were you told at that time that [redacted] and [redacted] were DEA agents?

A I think I knew at that time. I don't know whether I knew right then and there, but by the time he got on the plane in Atlanta, I knew he was a DEA agent.

Q Did you have an understanding as to the purpose of [redacted] accompanying you on the travel to England and then [redacted]

A I had a very good understanding he was there as a passive observer.

Q A passive observer of what?

A Of al-Masoudi.

Q What was supposed to be the product of his observation?

A I don't think much in London, but I think [redacted] he was supposed to keep kind of good tabs on him.

Q Who requested [redacted] to keep good tabs on al-Masoudi?

A I guess North.

Q What was the purpose of--if you know--of why [redacted] was keeping tabs on al-Masoudi?

A Well, I think at that point they were treating his offer on assistance on the hostages fairly seriously.

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Q When did you first become aware that al-Masoudi was under investigation by the FBI in connection with a check that he had bounced at the William Penn Bank?

A Well, if I can dissect your word, investigation.

Q Yes.

A What had happened was, the bank had undergone its annual FDIC and state auditor review in 19--it was fairly early on. I think it was like May-June. And of course this bad check was on their books, and so the FBI is the investigatory arm of these FDIC investigations. And they wanted to know about the check.

My first contact with an FBI agent was when I went to Philadelphia to meet with the board of directors. They had the FBI agent there in their offices already, and he was undergoing a process of investigation at that time.

I thought that matter was somewhat handled and resolved until it became clear that al-Masoudi was not who he said he was, and therefore, the check became more likely to be fraud, but the next real contact on that subject was when FBI agents contacted Colonel North, myself, and then subsequently my brother and his best friend, and my best friend.

Q Well, why, if you know, did the FBI agents contact your brother and your mutual best friend?

A We had all--I had borrowed money from my brother and his best friend, and from my best friend, in order to meet what al-Masoudi had described as a registration fee for the oil contract.

Q Is your brother's name Donald Miller?

A That's correct.

Q Do you recall that Colonel North was first interviewed by FBI agents about al-Masoudi some time in mid-July of 1985?

A He was contacted initially, I think, and then subsequently interviewed, but I think there was a lag period between the two of them, and it took me a long time to get the FBI agent to call me back.

Q Was he interviewed at a time when you were overseas?

A Must have been because I saw the agent shortly after I came back.

Q Did the agent try to contact you when you were overseas?

A I don't recall.

Q Do you recall IBC's having received messages for you from the agent while you were overseas?

A I don't specifically recall. It's possible.

Q Did you ever ask Colonel North to respond to FBI calls to you, in an effort for them to set up an interview with you?

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A I'm sorry. Could you say that again.

Q Did you ever ask Colonel North to call an FBI agent who was having difficulty getting in touch with you?

A No. It was the other way around. I asked Colonel North to get in touch with the FBI agent and ask him to get in touch with me because the guy wasn't returning my phone calls.

Q Do you recall the name of the FBI agent?

A Kumarsik.

Q At the time that Kumarsik first interviewed you, to the best of your recollection what was your state of mind as to the bonafides of al-Masoudi?

A At that point it was a 50/50 proposition. I had the FBI telling me that he may well be a fraud. They weren't saying--Kumarsik did not say in the meeting that he was a fraud. He simply asked the questions that led me to believe that he felt he was.

And on the other hand, we had the Central Intelligence Agency saying he probably was who he said he was. And everything that seemed to indicate, in my meetings overseas with the people who held themselves out as officials of the Saudi Arabian government, and other major organizations, seemed to indicate that the guy was who he said he was. So I thought at best at that point, it was about a 50/50 proposition.

Q Did Colonel North express to you at that time his view as to al-Masoudi's bonafides?

A I think that shortly thereafter, that he sent somebody to Jedda, and his words were that his friend went and had green tea with the real Jewel, and our guy didn't ever register, is what he said.

Q Was the person that he sent to Jedda to drink this green tea Mr. Kopp?

A I believe it was Mr. Kopp, but I've got very little to go on in that belief.

Q And by Mr. Kopp, at least I am referring to General Secord.

A Yes.

Q I take it that's your understanding to that as well?

A Yes.

Q Do you recall the date of your first interview with the FBI agent?

A Not specifically. I wouldn't call it much of an interview. I wholesale turned over to him all the paperwork that I had. In fact I gave him some of my originals of the al-Masoudi materials.

Q Did that interview take place in early September 1985?

A That sounds about right. It was in my office.

MR. DUDLEY: We're not talking about the meeting in Philadelphia?

THE WITNESS: No, no. In my office.

BY MR. KAPLAN:

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Q I take it--just to clarify the record--that you had a brief conversation with an FBI agent in Philadelphia some time, a couple months prior to this at least formal meeting with the FBI that took place in your office?

A Yes.

Q With Agent Kumarsik from the Washington Field Office, is that correct?

A Correct. And the Philadelphia agent expressed no reservation about the guy's identify, so--

Q Okay. Did you have any discussions with Colonel North, that you recall today, about what kind of information you would give to the FBI agent, prior to the first interview in early September 1985?

A I don't recall, specifically, a conversation about what I would give the agent.

Q Did Colonel North ask you to hold back any information from the FBI agent?

A I don't remember him asking me.

Q Did you tell the FBI agent that the CIA had passed on, at least for the time-being, the bonafides of al-Masoudi?

A I don't recall that, but if it had been done by that time I probably would have passed that on to him.

Q There would have been no conscious decision, on your part, not to have held out to the FBI?

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A Well, in all honesty, if I was worried about that, I certainly would not have given him all the records I gave him. I gave him my originals on several documents and I've never gotten them back, so--

Q My question a moment ago was, did North ask you to withhold any information from the FBI. I just want to rephrase it so that we don't get caught up in a semantic difference.

Did North instruct you to withhold any information from the FBI in the interview that you had in early September?

A Not that I recall.

Q Did you inform North that this interview was going to take place?

A Probably.

Q Did you talk with North afterwards about the substance of the interview?

A Yes.

Q All right. Now from a variety of documentation that we have, and some of which we discussed a moment ago--that is, the Treasury reports--you continued to deal with al-Masoudi for some time after September of 1985, is that correct?

A Yes.

Q When did you conclude that al-Masoudi was in fact an imposter?

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A Well, I knew for sure when whoever it was went to

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drink green tea with him, but I can't tell you--

Q Do you recall when that was?

A I don't recall the precise date of that. What happened after Kumarsik came to see me the first time, was that I went to the Library of Congress because I figured that their records would be more complete than the McKelden Library, and I tried to find as much as I could about Ibrahim al-Masoudi, and the genealogical lines that he had implied in previous conversations.

And again I provided that information to North. I was very skeptical of him while he was in Geneva, and in fact I was preparing to send him a final transfer, and ultimately called Kumarsik and said, look, you know, I'm still sending this guy money. If you believe him--if you can prove that he is not who he says he is, then you'd better tell me now because I'm sending him money.

And Kumarsik said, "I wouldn't send him any more money if I were you. I don't think he is who he says he is."

Q Do you recall when that was?

A Well, some time in October, I guess.

Q Was this in late October, early November, when in fact you did send him some traveler's checks?

A Probably. But the DEA guys and Kopp continued with him for a very short period of time after I was ready to be done with him, and it had to do with the hostages, and this--

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something that was going on at the time, and somehow he was involved. So there was some activity, even after I knew him to be an imposter, and he received some money from me, even after I knew him to be an imposter.

Q Did North encourage you to continue dealing with al-Masoudi after you, in your own mind, determined that you thought he was an imposter?

A Actually, he asked me to get out of the middle of it, and al-Masoudi kept trying to draw me back into it, and North kept asking me to stay out of it, and I agreed to that.

Q But you did testify that North approved the traveler's checks that were sent on November 1st and November 6th of 1985?

A Right.

Q Did you ever have any discussions with North, or conversations with North about delaying the investigation into al-Masoudi's bonafides?

A No.

Q Did North ever suggest to you that it would be best, for any reason, if that investigation were delayed?

A Not that I recall.

Q Did there come a time when you cut off all contact and communications with al-Masoudi?

A Well, I stopped dealing with him I guess the day he called me from jail in Geneva.

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Q When was that?

A I think it was some in November. Some time in November.

Q Do you recall a conversation with Agent Kumarsik toward the end of October of 1985 in which you told Kumarsik that you would completely cooperate with the FBI to attempt to lure al-Masoudi to the United States?

A Yeah. In fact that was the last conversation I was recounting to you. Basically what I said to him was, that the only person I knew, that he still thought, to his way of thinking--al-Masoudi's way of thinking--I was the only individual that he still believed believed in him.

And if I had told him that everything was all right, come on home, he'd come on home.

Q Nonetheless, you made some payments of some $14,000 to al-Masoudi in Geneva after the agreement that you would cooperate, and those payments were approved by Colonel North?

A That's correct.

MR. KAPLAN: I'm going to ask the reporter to mark as Deposition Exhibit 28, a copy of what appears to be a Telex from you to a Mr. Robert Vidon, and a Mr. Cockrell at the Credit Suisse Banque, in which you inform them that al-Masoudi, or anyone purporting to be al-Masoudi, has no authority to act in any manner as an agent of IBC.

THE WITNESS: Correct.

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BY MR. KAPLAN:

Q Did IBC have accounts at the Credit Suisse Banque?

A No, no. al-Masoudi had represented to me that these individuals had set up an account for him, and that he was going to use the account for his gold and oil transactions, these transactions for the benefit of the resistance.

Q Because he had informed you that this contract was in the name of International Business Communications, is that why you wanted to make clear to these individuals that he had no authority to act on their behalf?

A That's precisely.

MR. KAPLAN: Off the record for a second.

[Brief discussion off the record.]

BY MR. KAPLAN:

Q Have you, Mr. Miller, made a calculation of the amount of money that you expended on activities that you undertook with al-Masoudi?

A Yes.

Q How much money was that?

A At the present time, in professional and expense reimbursements, travel and so forth, it is about $367,000. That is--

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[Witness and attorney consult.]

THE WITNESS: The thing that's not calculated in that figure is expenses by myself personally, and he lived at my house for an entire month, and he's a very expensive individual. So I have no idea what my personal loss is associated with it.

BY MR. KAPLAN:

Q Okay. Can you describe, for the record, what sorts of items this money was used to pay for.

A Traveler's checks for his travel overseas, reimbursement for office expenditures, air-traffic expenses, and in the case of one item, $104,000 to his attorneys for the reimbursement of forfeiture of a performance bond.

Q That's the disbursement to Gary Bagdasarian that you testified about yesterday?

A Correct. And 25,000 in good-faith payment to the William Penn Bank in Philadelphia.

Q How much of those expenses, if you know, could be allocated or attributed to al-Masoudi's hostage-rescue efforts?

A I've never separated it out that way.

Q Approximately. Would it be half of that?

A I would say that the largest expenditures for al-Masoudi came at a time when he had already begun to offer help, and that probably was a pretty significant factor in extending him the credit.

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Q Was North kept regularly apprised of your expenses as well as your activities with al-Masoudi?

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A Yes.

Q Did North approve these expenses?

A He approved the large ones, in specific, and in general, the smaller.

Q What was the ultimate source of the money expended or lost on al-Masoudi?

A Well, in terms of the 1099-income that I just recounted to you, that we have charged him with under a 1099--

Q Charged who with?

A al-Masoudi. Most of that money now has been fully reimbursed out of the assistance money.

Q That is the contra-assistance money that was paid to IBC by NEPL?

A By NEPl and other sources.

Q When you say most of that money has been reimbursed, is that separate from the 10 percent charge, or commission that you began to take in 1986, and to which you testified yesterday, and on June 23rd?

A That's correct.

Q Who approved, if anyone, the reimbursement from the NEPL contra-assistance payments, of these monies expended on behalf of al-Masoudi's activities?

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A Colonel North.

Q Was there a specific conversation, or conversations with North in which you asked him for reimbursement for these losses?

A Yes.

Q Did he tell you that you should reimburse yourself for these losses from the contra-assistance payments that were being made by NEPL to IBC?

A Yes.

MR. KAPLAN: I have no further questions. Thank you.

[Whereupon, at 12:15 p.m., the deposition was adjourned.]

CERTIFICATE OF NOTARY REPORTER

I, Terry Barham, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing transcript was duly sworn by me; that the testimony of said witness was taken by me and thereaftrer reduced to typewriting by me or under my supervision; that said deposition transcript is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

Terry Barham, Notary Public in
and for the District of Columbia

My commission expires May 15, 1989.

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SELECT COMMITTEE TO INVESTIGATE COVERT
ARMS TRANSACTIONS WITH IRAN
U.S. HOUSE OF REPRESENTATIVES
AND
SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION
UNITED STATES SENATE

- - -

Tuesday, September 15, 1987
Washington, D.C.

Deposition of RICHARD RODERICK MILLER taken on behalf of the Select Committees above cited, pursuant to notice, commencing at 9:30 a.m. in Room 901 of the Hart Senate Office Building, before Ronald Meek, a notary public in and for the District of Columbia, when were present:

For the House Select Committee:

THOMAS FRYMAN, Esq.
SPENCER OLIVER, Esq.
VICTOR ZANGLA, Esq.

4109

For the Senate Select Committee:

KEN BUCK, Esq.

Partially Declassified/Released on 12-30-87
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[illegible]

Whereupon,

RICHARD RODERICK MILLER

was called as a witness and, having previously been duly sworn, was further examined and further testified as follows:

EXAMINATION BY COUNSEL FOR

THE HOUSE SELECT COMMITTEE

BY MR. FRYMAN:

Q Mr. Miller, this is a continuation of your prior deposition before the Senate and House Select Committees. You are still under subpoena, and the immunity orders of the two Committees which have been marked as exhibits, continue to be applicable to this session today, and I again remind you that you are still under oath from your previous sessions.

By this first question, you will know hwy we are in this secure room.

Mr. Miller, have you ever been employed by, or have you ever been a contract agent for any intelligence agency, including the National Security Agency or the National Security Council, or any intelligence branch of any department or agency?

A No, other than the business relationship which I've already described to you with Oliver North, and the short period I worked for the Federal Preparedness Agency at GSA which was about three months. That doesn't qualify as an intelligence agency. It's now part of the FEMA, Federal

Emergency Management Administration.

Q Well, your work with Colonel North, did you consider that work to be work for an intelligence agency?

A No.

Q Did you consider yourself to be a contract agent for any intelligence agency?

A No.

Q Were you ever present in Colonel North's office when he placed a telephone call to Bunker Hunt?

A I think I was present in his office when he called Bunker Hunt. I remember the specifics of his conversation, but I can't tell you whether I was there, or whether he repeated it to me.

Q Was it your understanding that at the time Colonel North had this telephone conversation with Bunker Hunt, that William Casey was present in Mr. Hunt's office?

A That's correct, although I'm not sure it was the office. I was under the impression it was his house.

Q How did you know this?

A He told me.

Q Colonel North told you?

A Colonel North told me. That's right.

Q What did he tell you about this conversation?

A He told me that he called--he recited, I think, three of the four items that I asked him to discuss with Mr.

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Hunt, and Mr. Hunt said "I have a friend of yours here," and Ollie said he said who's that, and he said, "Bill Casey," and Ollie said, "Give him my regards." And I don't think he recounted that he and Casey actually talked.

Q What were the items that you had asked Colonel North to discuss with Mr. Hunt?

A I have to do it from memory. They're on a piece of paper that you've already got in your exhibits. But that there was an ongoing--the basic thrust was that there was an ongoing supply effort, and that Bunker's money had helped to produce that, and what was needed was the second half of his contribution.

Q Do you recall when this conversation occurred?

A All I can remember is that he was in his old office. I don't remember a specific date.

Q When did he leave his old office, as you recall?

A I don't remember, specifically.

Q Did Colonel North tell you Mr. Hunt's response to these matters that he had raised with him?

A I don't recall any commitment coming out of the conversation from Mr. Hunt. I don't remember any commitment by Mr. Hunt as a result of the conversation, although at a later, much shorter period of time from then, he did make good on the second half of his contribution.

Q Did Colonel North report to you anything that Mr.

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Hunt had said in this conversation?

A The only thing I can remember is what I've just told you.

Q With respect to the presence of Mr. Casey?

A Correct. That's not uncharacteristic of Mr. Hunt, either. He tends to be much more of a listener than a speaker.

Q Did Colonel North say anything to you with respect to why Mr. Casey was in Mr. Hunt's office at that time?

A No.

Q Mr. Miller, do you recall any discussions with Frank Gomez about what I will describe as the "contra-assistance network" or the group of bank accounts of IBC, IC, Inc., and NEPL, and Mr. Gomez's reservations about the use of these accounts for transferring funds?

A I would say that Frank expressed a reluctance to be involved in the private funding, initially because it involved IBC directly, and I think we were agreed that that was something to be changed. And then, ultimately, I think he did it for personal commitment reasons to the cause, but again, I think with some reservation, and I think I prevailed upon him because I was convinced that--and I think he was convinced--there wasn't anybody else to do it at the time.

Q Was that the argument you made to him as to why you should do it?

A Yes.

Q Did you make any other arguments?

A Not that I recall. In fact I don't remember that one in specific terms, but I'm pretty certain that was the thrust of my appeal to him.

Q Why did you believe that you and your organizations were the only person and entity that could do this?

A We were very familiar with the other political organizations that were involved, and none of them seemed to be directing raw financial resources to the resistance. A lot of them were spending money on political activities, but nobody was giving money, or working to raise money and give it directly to the resistance. A lot of people claimed they were, but it wasn't happening.

So there seemed to be nobody else doing it, and Colonel North seemed to be in desperate need of somebody to do it, and those two things led me to conclude that.

Q As I understand your prior testimony, Colonel North merely asked you to provide a bank account, or bank accounts, where monies could be deposited, and from which he could direct disbursement from the accounts.

Is that, in substance, what he asked you, or the assistance that he asked you to provide?

A No, I don't think so, because our involvement with the financial end really started with al-Massoudi, which was far more complicated than that, and progressed through actually going out and raising funds, by virtue of the conversations with John Ramsey at what seemed to be critical moments in Colonel North's timetable.

And he was quite clear that we were involved from the beginning with a fund-raising effort, and I'm sure he understood that that entailed much more than just setting up bank accounts.

Q You recall, do you not, Mr. Miller, and you have testified about, have you not, a meeting that you attended with Colonel North and Mr. Channell in July of 1985, where there was a discussion of how funds would be transferred that were raised by NEPL?

A Yes.

Q It was at this dinner meeting that Colonel North told Mr. Channell that the funds should be transferred to the IBC account, or to one of your accounts?

A Correct.

Q You understood from Colonel North, that you would follow his directions about the disbursements of the funds transferred to you from Mr. Channell, is that correct?

A That's correct.

Q Now, following that conversation, funds transferred by Mr. Channell to your accounts exceeded several million dollars, did they not?

A That's correct.

Q What was the amount of funds that you were responsible for raising directly for the contras? Was it under $100,000?

A I don't think you can place it in that context because we were responsible to Mr. Channell for activities and work assignments that led to him raising that money. So if you would like to take all the millions of dollars and take some percentage of it, I might try and agree with you, but I can't put a number on that.

Q But the contributions that you asked for yourself totalled less than $100,000, did they not?

A What do you mean, "asked for myself"?

Q Well, did you ever ask a contributor, or ask anyone to contribute funds for the purpose of assisting the Nicaraguan resistance?

A Yeah. I made the direct appeal to John Ramsey on two occasions. We had the direct appeal to Mrs. Newington on another occasion. Those were the only times I actually asked somebody for money. The rest of the times I was present, or a large number of the rest of the times I was present.

Q So with respect to the responsibility for maintaining an account to receive funds from Mr. Channell, and to disburse funds from that account pursuant to the direction of Colonel North, to perform those functions it was not necessary to have any relationship with the political figures in the Nicaraguan resistance, or to have any relationship with contributors, was it not?

A I'm afraid I don't understand your question. If your implication is that that activity was somehow disconnected from the rest of the activities that we performed for Mr. Channell, or Colonel North, or the political resistance, I totally disagree with that.

Q Well, Mr. Miller, whether it was disconnected, or not, it was not necessary, in order to operate these two accounts, and receive funds from Mr. Channell and disburse funds according to the direction of Colonel North, that you have any relationship with members of the resistance, or that you have any relationship with Mr. Channell's contributors, was it?

MR. PRECUP: Objection. Mr. Fryman, would you reformulate that. I think the witness is having trouble with the word "necessary." Necessary on what basis? I think he's explained as a matter of fact what occurred, and has also testified that that was an important connection on all ends of those fronts, for him. So it's very difficult for him to deal with the word "necessary" which may be used in a vacuum.

MR. FRYMAN: All right. Mr. Precup, what I am trying to do is just follow up on his prior answer, where he said that he explained to Mr. Gomez, that if Mr. Miller and IBC did not perform this function that had been requested by Colonel North, there was no one else to do it.

What I fail to understand is what was unique about Mr. Miller's situation, or IBC's situation, and why someone else could not do that, and that's my ~~objection~~ objective in ~~his~~ this line of questioning.

MR. PRECUP: Well, perhaps the witness could answer that general inquiry of yours.

THE WITNESS: Well, as I told you previously, I am very conversant, and we were at the time very conversant with the other organizations who were capable of raising money and working with fund-raisers, and working with the resistance figures, and who had Colonel North's trust, and I didn't feel there was anybody else out there who had the right elements to do this.

I didn't see anybody else, and I guess Ollie North didn't either, because I don't get the feeling he asked many other people.

BY MR. FRYMAN:

Q Well, I have to then press the question, Mr. Miller. What difference did it make, whether or not you had had any relationship with these organizations? Colonel North was instructing Mr. Channell to transfer funds to a specific account, and according to your prior testimony, he was giving you instructions about specific accounts to which you were to transfer funds.

Now what difference does it make as to whether you had had any prior relationship with anyone in order to perform those two functions?

A Well, if I gave it 30 minutes of thought I'd come up with a longer list, but I think the principal elements were the trust that he had in us. I think they were the trust that Mr. Channell had in us, and I think it was the trust that the resistance figures and the political entities had in us--were we to become known as we were, eventually, by some of these people--that they would not be upset, or they would not be overly concerned about the involvement that we had. And all those things turned out to be correct.

And so, I think at the time, it was an intuitive decision, but I think it was accurate, because, ultimately, all of them became aware of our responsibility and none of them seemed to have voiced much distress about it.

Q When did you understand that the resistance figures, or any of the resistance figures became aware that the NEPL funds were being transferred into bank accounts controlled by you, and disbursed by you?

A In terms of having NEPL funds transferred, I would say not until November or December of this past year.

Q Well, were there other funds that you were transferring, other than NEPL funds?

A Yes.

Q What were those?

A The Heritage Foundation $100,000. $60,000 from a gentleman by the name of MacAleer, and I have yet to know who, exactly, that is. And another gentleman by the name of Barness. But you asked the question in terms of transferring NEPL funds.

They were aware, long before then, and in different times, that we were responsible for transferring funds.

Q So you say that you're not aware that any resistance figure was aware of your role in transferring NEPL funds prior to November of 1986?

A Well, let me put a finer point on it than that. They were not aware that they were NEPL funds that were being transferred to them. I would say with the sole exception of Adolfo Calero, who had some indication that--well, he had received checks directly from NEPL, and he had received checks as a result of fund-raising activities. But in terms of our transferring NEPL funds and the funds being known as NEPL money, he'd be the sole exception until November or December.

Q When do you understand that Mr. Calero first became aware that you were transferring funds to him from one of your accounts?

A I had a meeting with him at the Connecticut Club

Hotel in late October or November of '86, and in that meeting, per Colonel North's instructions, I was to get from him a bank account number, and corporate name to carry out a transfer, both Colonel North and I knowing that I already knew it, and this was simply Mr. Calero giving it to me without knowing that I had been the person transferring it before.

Q So the first time you believe that Mr. Calero was aware that one of your accounts was the source of funds transferred to him was October or November 1986?

A No. Now you've changed your question. We transferred from IBC to the NDC, very early on in the process, money that was a result of NEPL fund-raising, and actually went--I gave the check to--i think it was Bosco Matamoros, and I think it was $25,000.

Q Well, what did you understand was the significance of this conversation you just described in October or November of 1986?

A It was the first time that Mr. Calero was aware that we were responsible for transferring money, large sums of money into his accounts from overseas bank accounts.

Q How much money did you transfer to Mr. Calero after October or November 1986?

A We made, I believe, a $75,000 transfer and an $80,000 transfer. That's off the top of my head. I don't r2

have the documents in front of me.

Q Your explanation to Mr. Gomez as to why your organization should perform these services was simply that there was no one else that could do it?

A Well, as I said, I think that was the principal thrust of my argument to him. I'm sure there were other elements involved.

Q That's what you recall today?

A Yes.

Q Did you ever discuss the propriety or legality of your organization being involved in these transfers with Mr. Gomez?

A I may have reported back to him on my conversations with the tax attorney at the time of the al-Massoudi business, and I probably discussed the neutrality act at some point with him, because that was, again, our principal focus in that timeframe.

- Q Did you discuss the neutrality act with any attorney?

A Not in that timeframe, no. Actually, I considered Frank more expert in that than me, after 20 years of foreign service.

Q The consultation with the tax attorney that you referred to did not concern the transfers of Mr. Channell and the disbursements directed by Colonel North? The specific consultation related to your prior involvement with al-Massoudi, is that correct?

A I think you're asking me to discuss matters that I discussed with my attorney at the time. I'm responsible to answer that?

[Counsel and witness confer.]

THE WITNESS: Okay. The questions with the attorneys involved not just al-Massoudi, but also the legality of handling the accounts, and the way they were handled.

BY MR. FRYMAN:

Q Did you have any discussion with attorneys about transfers through the IBC and the Cayman Islands account, after your meeting with Colonel North and Mr. Channell in July of 1985?

A I mean that's all the way up till today.

MR. PRECUP: Yes, it is. We really need an end date on that, so as not to impinge on the attorney-client privilege.

THE WITNESS: Is there a specific timeframe that you're referring to?

MR. FRYMAN: Let's say during the period beginning July 1985 through November 1986.

THE WITNESS: And would you repeat the question.

[The reporter read back the pending question.]

THE WITNESS: Yes.

BY MR. FRYMAN:

Q When were those discussions?

A May of 1986.

Q And who was the attorney?

A Earl Dudley. I think that's right, isn't it? May?

Q Any other discussions with an attorney during the time period July 1985 through November 1986?

A Not that I can recall.

Q Mr. Miller, in one of your prior days of testimony, you stated that you were asked to provide money that was used in an effort to obtain the release of hostages held in Lebanon.

Who asked you to provide such funds?

A Well, Colonel North indirectly. As I recall, the money was requested by al-Massoudi while he was in Geneva, and I confirmed with Colonel North that it was appropriate, and I undertook the transfers.

Q How much money was involved?

A Well, I can specifically remember one transfer of about $18,000 was involved. There was another time when there was about $10,000 in airline tickets, and the latter portion of al-Massoudi's stay in Geneva was predominantly because he was supposedly involved in this. So whatever money he spent in that period would have been to that end.

Q What was the approximate date of this request?

A September.

Q Of 1985?

A That's correct.

Q The request came directly to you from al-Massoudi?

A As I recall, that's correct.

Q What was explained to you about the purpose for which these funds were needed?

A $15,000 had to do with the effort to secure the release of the hostages, and I don't remember anything specific about it, and, as I recall, $3500 was for living expenses, and I can't right now remember whether it was al-Massoudi's or [redacted] DEA agent, or DEA agent, that was there.

Q Was the $15,000, to your understanding, to be paid to the persons holding the hostages?

A I don't believe so. I mean, if that was the case, it wasn't said to me.

Q Was there any explanation given to you about what was to be done with the $15,000?

A No.

Q Just that they needed $15,000?

A Yes.

Q You said there was a later $10,000?

A I believe that's correct, yes.

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Q What explanation was given to you about the need for that money?

A I think it was primarily for air travel involved with al-Massoudi and some associate of his, and I don't know, maybe some DEA people.

Q Now were both requests in generally the same time period, in the fall of 1985, or around September of 1985?

A They were almost all of them in the fall of 1985.

Q Fall of 1985. Mr. Miller, has your organization been involved in preparing a study of fund-raising efforts within the United States for either the Sandinista government, or entities sympathetic to the Sandinista government?

A We prepared a white paper for Mr. Channell on general activities, including fund-raising, and political activities by members of the left wing in the United States.

Q When was this prepared?

A I think we transmitted it to him in April.

Q Of 1987?

A That's correct. And we worked on it for about five weeks, I think.

Q How long a paper was it?

A It was in inches. The entire report to him was about eight or nine inches tall, including the appendix, and data.

Q Did you identify in this white paper a number of

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organizations in the United States that had been involved in fund-raising?

A Yes.

Q Do you recall the number of organizations?

A No, but there were hundreds of them.

Q Hundreds?

A Hundreds. Yes.

Q Over a thousand?

A It seems to me that there's over a thousand. I'm not sure that a thousand are in my report, but there are about a thousand organizations.

Q How did you develop this information?

A Mostly from existing written materials from computer data bases, and through research, and interviews with members of the House and Senate staffs.

Q Which House staff members did you interview?

A I'd have to talk to the researcher that handled it, but they talked to some of the Senate Foreign Relations staff, and I believe they talked to some people on the House Foreign Affairs Committee staff, but I don't know who.

Q Who was the researcher who handled this?

A Fran Jacobawitz. And also Jeff Keffer of my staff.

Q You were paid to do this by Mr. Channell?

A That's correct.

Q How much did he pay you?

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A I believe it was 15, or maybe $12,000. I'd have to look at the invoice.

Q Did Mr. Channell indicate to you what use he intended to make of this?

A His concern was that there was a lot of political attacks taking place against him by members of Congress who were ignoring similar activities by people on the left.

Q What use did you understand he was to make of this report?

A He was supposed to use it to go to contributors and attempt to raise money for a larger public-affairs effort in the area of Central America.

Q Did you provide Mr. Channell with a number of copies of the report?

A As I recall, I provided him three copies.

Q You kept a copy, I take it?

A I believe I did, yes. I'm not sure I kept all the appendixes, although I'm sure they're interstrewn in the files. A lot of what we put in there was stuff that we'd accumulated over the last three or four years--mailings by other organizations, materials attached in forms, and debates; things we received by requesting a mail copy of something.

Q Did you suggest this project to Mr. Channell?

A No. In fact I think it was his suggestion.

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Q Did you ever discuss with Mr. Channell making this report available to any Members of Congress?

A No. In fact, my counsel was that if it were made available to Members of Congress, it would be an open declaration of war between the left and the right, and that the struggle was already screwed up enough, and it didn't need to be that politicized, and my recommendation was that it not be used as a political weapon. That was what I remember my counsel to him being.

Q Are you suggesting by your answer that there was, then, a discussion with Mr. Channell about whether or not it should be made available to Members of Congress?

A Absolutely, and in public. Mr. Channell wanted to make it a public document, and I did not.

Q Did anyone else participate in this discussion?

A Maybe Dan Kuykendall. I don't know whether Frank ever participated in them or not. I don't remember whether he was ever present.

Q Did you ever receive any information from any source indicating that Mr. Channell ever made a copy of this report available to any Member of Congress?

A No.

Q Did you ever receive any information from any source that Mr. Channell ever made this report available to any Congressional staff member?

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A No.

Q Mr. Miller, in the prior sessions we have discussed the consulting arrangement that you firm entered into with David Fischer and Martin Artiano, and I believe it was agreed that that arrangement was originally entered into in December of 1985?

A Correct.

Q Did you consult with Oliver North about retaining David Fischer or Martin Artiano?

A No. In fact I don't even think they were aware of it until late in '86.

Q When you say "they were aware of it," who are you referring to?

A I mean he was not aware of it.

Q It's your understanding that Colonel North was not aware that you had retained Fischer and Artiano until late 1986?

A Yes. I don't think he understood that until I told him that, and I don't think that was until some time in at least the middle of '86.

Q Did you discuss with anyone in the White House the retention of Mr. Fischer and Mr. Artiano?

A I don't recall discussing it with anybody.

Q Do you know if Colonel North had ever met David Fischer prior to December of 1985?

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A I really don't. I've never heard either one of them say either way.

Q Do you know if Colonel North had met Martin Artiano prior to December of 1985?

A I'm not sure--no, no.

Q Do you recall a $50,000 payment that was made to Mr. Artiano in January or February of 1986?

A I recall payments to him, without looking at the records, if you say there was a $50,000 payment in January, I'm sure there was.

Q We'll get to the records in a minute, but do you have an independent recollection of a $50,000 payment in early 1986?

A I remember making a $50,000 payment to Mr. Artiano.

Q And was there a later $50,000 payment to Mr. Fischer?

A There may well have been.

Q Do you recall that?

A Not specifically, but there may have been.

Q You do specifically recall a $50,000 payment to Mr. Artiano early in 1986?

A Well, if you would like to put the records in front of me, I'll look at them. I don't specifically remember a $50,000 transfer to Mr. Fischer, but if you say one happened, I'll simply take your word for it.

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Q Well, my last question related to the payment to Mr. Artiano, which I thought you said, in a prior answer, you did recall a payment to Mr. Artiano.

A I recall a payment to Mr. Artiano for $50,000.

Q What was the purpose of that payment?

A It was a cash call by Mr. Artiano on our agreed arrangement and he could have made it for $70,000 if he had wanted to, but $50,000 was the figure he wanted and needed.

Q What do you mean by a cash call?

A They had the right, under the contract that we had with them, to require the payment in whatever ~~tranches~~ (amounts) they wished and sometimes it was $10,000, sometimes it was $20,000, sometimes it was larger.

Q Under your understanding of the contract, they could have called for the full payment under the contract in January of 1986?

A No, I don't think I would have allowed that. There was a lot of work yet to be done under the contract. I certainly wouldn't have allowed them to call the whole contract before they'd finished the work on it.

Q But $50,000 was within range, in your view?

A Yes.

Q Did you understand that to be an advance?

A No, I didn't consider it an advance.

Q What's the difference between a cash call and an

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advance?

A I've never made a distinction between the two. The only thing I use the word cash call in that they were allowed to decide the amounts that were to come to them, within reason, and that's just an informal term on my part, cash call.

Q Did you make payments to Mr. Fischer in 1987?

A Yes.

Q Do you recall the amounts?

A $70,000 and $35,000, I believe.

Q And do you recall the months that those payments were made?

A No, I don't recall if off the top of my head.

Q Was it early in 1987? January or February?

A I think it went over a couple of months and that may be the case but, without looking at the records, I don't remember the specific dates.

Q What was the reason that you paid Mr. Fischer $105,000 in 1987?

A That was the amount that was remaining on our original agreement and he asked for it and so I paid it to him.

Q Did you make any payments to Mr. Artiano in 1987?

A Yes.

Q How much?

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A I can't remember off the top of my head but they were in $10,000 or $5,000 increments.

Q What was the reason for those payments?

A That was additional consultation on the part of--the $5,000 was additional consultation on the part of Mr. Artiano for business development.

Q In 1987?

A Yes.

Q What subjects did you consult with Mr. Artiano about in 1987?

A Well, we tried to keep him, generally, aware of the business opportunities we had and we sought his counsel and advice and when possible, we tried to involve him in our decisions to get clients. That was business development.

Q At some point, did you stop using Mr. Artiano's services in 1987?

A Yes.

Q When was that?

A I can't recall specifically what date it was.

Q Why did you stop?

A We just had no more use for it.

Q Did Mr. Fischer perform any services for you in 1987?

A Oh, yes.

Q What did he do?

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A Well, he generally served as a partner in the firm, provided the same kind of workload that the rest of us did.

Q And was the $105,000 his total compensation from you in 1987?

A No.

Q What else did you pay him?

A Again, off the top of my head, without the records in front of me, I can't remember a specific number but we made several payments or received, from him, payments which represented a net sum from the client. In other words, a client would pay his corporation and his corporation would then transfer IBC's share to IBC.

Q But the $105,000 was compensation to Mr. Fischer and in return for that compensation, he has been providing services for you during 1987?

MR. PRECUP: Excuse me. I don't believe that was the witness's prior testimony.

THE WITNESS: No.

MR. PRECUP: He did characterize that $105,000 payment, but not as compensation for current services.

THE WITNESS: That was the remaining amount-- $105,000 was the remaining amount due to Mr. Fischer for our original contract on the NEPL activities.

BY MR. FRYMAN:

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Q And this was the agreement that you reached in

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December of 1985?

A Correct.

Q And what period of time was that agreement to cover?

A It was for six months and it was agreed that it was representative of 24 months of $20,000 a month.

Q So the agreement was for 24 months?

A That's correct. Two years.

Q And that would continue until December of 1987?

A That's correct, but they had the right to make cash calls along the way, within reason.

Q But you had the right to call on Mr. Fischer's services until December of 1987 for the $280,000 you were going to pay him--or the $480,000, correct?

A No. By 1987, we were involved in other efforts already. As I said, the $105,000 was paid for past activities for NEPL and the compensation that you are asking me about now in 1987 was for other business unassociated with NEPL.

Q Well, Mr. Miller, as I understand your testimony, you reached an agreement with Mr. Fischer that he was to provide services for 24 months, is that correct?

A No. The financial commitment from us was for 24 months worth of $20,000 a month.

Q And that's unrelated to his doing any work for 24 months?

A No. Mr. Channel and IBC required a large workload

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by Mr. Artiano and Mr. Fischer in the first seven months, but initially, that first six months of 1986 there was a tremendous workload and the commitment that we were required to make to Mr. Artiano and Mr. Fischer, was for two years at $20,000 a month.

Q So, am I correct in understanding your testimony that you are saying that in effect, Mr. Fischer had completed his 24 months of work by January of 1987?

A Yes. You keep interjecting the word work, when I'm talking about compensation.

Q Are the two unrelated in your mind?

A The two are unrelated in terms of my financial commitment to Mr. Fischer, which is what you're asking me about.

Q So you made a financial commitment to him that was unrelated to his performing any services for you, is that what you're saying?

A No.

MR. PRECUP: Mr. Fryman, that isn't what he said. Don't mischaracterize his testimony.

MR. FRYMAN: Well, I'm trying to understand his testimony, Mr. Precup, and I'm finding it somewhat difficult to understand it.

BY MR. FRYMAN:

Q Now, I'm just trying to get clear. As I understand

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it, you reached an agreement with Mr. Fischer in December of 1985, to cover a period of 24 months.

A A financial commitment to Mr. Fischer and Mr. Artiano for $20,000 a month for 24 months. That's correct.

Q Or a total of $480,000?

A That's correct.

Q Now, were they to provide services for that amount of money?

A Yes and they did.

Q Were those services to cover any particular period of time?

A About six months worth of intense activity, yes.

Q So they were to be paid $480,000 for six months of work, is that what you're saying?

A That's correct.

Q And that six months' work had been completed by January of 1987?

A That's correct.

Q And when you paid him $105,000, you in effect, were paying him for services that he had already rendered?

A That's correct.

Q Okay. So Mr. Fischer and Mr. Artiano were, in effect, being compensated a total of $480,000 for six months work, or $80,000 a month?

A I don't accept it. What was required of me, because we were monopolizing, particularly, Mr. Fischer's time for that seven months, but predominantly six months in early 1986, was a commitment to them for 24 months, $20,000 a month. It was not financially possible to make that commitment without passing it along to the client that required the work.

Q Mr. Miller, as I understand what you have said, you made a commitment to pay Mr. Fischer and Mr. Artiano $480,000.

A That's correct.

Q And you understood that they had performed the services, under that agreement, within a period of six months?

A Yes.

Q And you owed them $480,000 for six months' work?

A That's correct.

Q And according to my arithmetic, that works out to $80,000 a month.

A Well, that's your arithmetic.

Q Do you disagree with the arithmetic?

A I've already told you I disagree with it. What I made to them was a commitment for $20,000 a month for 24 months. And that was the substance of the commitment to them. Now, you can divide it up any way you want, but that was my commitment to them.

Q Just to make sure you and I are on the same wave length about the elements in the equation, the total amount

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of funds is $480,000?

A Correct.

Q And the total months of service was six months?

A That's correct also.

Q And in addition to the $480,000 commitment, you had a separate arrangement with Mr. Artiano for him to provide additional services directly for IBC, I believe you testified.

A Correct.

Q And you had separate financial arrangements with Mr. Fischer, with regard to additional services.

A That's correct also.

Q Off the record.

[Brief pause off the record.]

MR. FRYMAN: All right, we will start with Exhibit 29 and see what happens. It appears from the prior transcript of Mr. Miller's deposition, that the last exhibit marked was Number 28. I would ask the reporter then to mark, as Miller Deposition Exhibit 29 for identification, a report that has been prepared by accountants for the House and Senate Committees, which summarizes financial data and bank records of International Business Communications, INTEL Corporation, Gomez International, Miller Communications, and World Affairs Counselors, Inc. This report is dated September 14, 1987 and contains 35 pages.

UNCLASSIFIED The documents referred to were

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marked for identification as
Miller Deposition Exhibit No.
29.)

BY MR. FRYMAN:

Q Mr. Miller, I show you Exhibit 29 for identification. You will notice that the first sheet is headed Analysis 3-A, which is a summary sheet of the statement of cash receipts and disbursements for the period January 1985 to December 1986. The next sheet is a similar summary sheet which is headed Analysis 3-C, which is an analysis of disbursements to other organizations for the same period. There is no sheet headed Analysis 3-B, you will note. The third sheet is headed Analysis 3-D and is an analysis of receipts for the IBC-affiliated companies for the same period.

Then following that there are further sheets, three summary sheets relating to the IBC account, one summary sheet relating to the IC account, one summary sheet relating to Miller Communications, and one summary sheet relating to Gomez International. Following those summary sheets are then a number of detailed sheets listing the components of the various accounts that are summarized on the prior sheets. Now, let's go off the record for a second.

[Brief pause off the record.]

BY MR. FRYMAN:

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Q Mr. Miller, if you would first turn in Exhibit 29 to page 10, you will notice, on that page, toward the bottom, the report indicates that there were payments to IBC of $22,500 from an entity called ESOP Associates. Are you familiar with ESOP Associates?

MR. PRECUP: Before the witness answers, Mr. Fryman, I want to say for the record that we object to the use of this exhibit for questioning the witness on a wide number of bases. The document appears, in its 35 pages here, to be other than complete in that, for example, it has analyses 3-A, C and D, but no 3-B, not to mention 1 and 2, whatever they might be. It is impossible, on a brief examination, to determine whether this is a correct and complete analysis, let alone an accurate one of the accounts it purports to review.

It contains characterizations throughout of payee's sources of funds and the like. We, of course, assume that the math is correct, but that's an assumption because we have not had a chance to check it ourselves. We don't know what records in total were used to produce this nor what biases existed in the persons who did produce it and who are not here for us to question.

Hence, we do not--the witness does not adopt any part of this exhibit as a true description of any kind of reality. With all that said, should anything you care to point out to him in this document refreshes recollection pendently, about a transaction or an event, I, of course, have no objection to the witness answering that question.

MR. FRYMAN: Mr. Precup, as I indicated when I marked the document as an exhibit, I'm not asking Mr. Miller to adopt this analysis as being in its entirety correct. I'm merely marking it as an exhibit. I'm representing that it is the analysis prepared by our accountants and I intend to use it as a basis for putting specific questions to Mr. Miller.

BY MR. FRYMAN:

Q The pending question, Mr. Miller, is derived from page 10, but I can really ask you the question independently of page 10. Are you aware that IBC received funds from an entity called ESOP Associates?

A Yes.

Q What is that entity?

A It's actually called the ESOP Association and it's the employee stock ownership program association in Washington.

Q And were they a client of IBC?

A Yes.

Q Do you recall if, in 1985, they paid fees to your organization in the range of $22,500?

A We were paid $22,500 for the execution of a general public affairs program. Some of that was fees; some of that was program expenditures. As I recall, we refunded about

$12,500 to them. I think that's correct.. I can't remember the figures specifically.

Q If you would look at page 18, Mr. Miller, you will notice that there is reflected there a payment by IBC to ESOP Associates of $13,690. Is that amount consistent with your recollection of the amount that was paid back to that client?

A We only made one payment to ESOP so that would have to be it if that's an accurate reflection of my business records.

Q Was the payment that you made back to them approximately in November of 1985, according to your recollection?

A Yes.

Q Am I correct in understanding that the fees that you received from this client had nothing to do with your work in connection with the Nicaraguan Resistance?

A That's correct.

Q If you would look again at page 10, there's a reference to Calero traveler's checks and there's a number of entries indicating that in April of 1985, you received $35,000 from Mr. Calero. Is that consistent with your recollection that you received that amount of money from Mr. Calero in April of 1985?

MR. PRECUP: Excuse me, Mr. Fryman. You said $35,000. Perhaps you misspoke. Our sheet shows a different figure.

MR. FRYMAN: In April of 1985, I believe it's $35,000, Mr. Precup.

MR. PRECUP: You're selecting just the April figures from that?

MR. FRYMAN: That's right. There's a $4,000 figure in February of 1985.

MR. PRECUP: All right, we see. Thank you.

THE WITNESS: I recall receiving traveler's checks from Mr. Calero. Without looking at my business records, I can't attest to whether your dates are correct or the amounts are correct, but I was paid by Mr. Calero in traveler's checks.

BY MR. FRYMAN:

Q Was it a series of payments in traveler's checks in April of 1985?

A Well, there was a--yes, for different things and there were several payments in April of 1985.

Q Is it your recollection that those payments were in the range of $35,000?

A I don't have a specific recollection of the range, but I do recall a $20,000 wire transfer and $10,000 in traveler's checks specifically.

Q What did you do with the traveler's checks?

A I think most of them were deposited into the general IBC account and I think some of them I took directly and I've forgotten the exact amount.

Q Took directly where?

A I used them for my own personal income. It was a sole proprietorship in 1985.

Q All right. If you turn to page 11, Mr. Miller, the exhibit indicates that IBC received approximately $14,000 in 1985 from the Gulf and Caribbean Foundation. Do you recall your company receiving payments from the Gulf and Caribbean Foundation?

A Yes.

Q Did your company perform services for the Gulf and Caribbean Foundation?

A Yes.

Q What was the nature of the services?

A We were their media-relations and foreign-policy advisers for their scholars program and their other public education efforts.

Q Did you understand that Dan Kuykendall supervised the operations of the Gulf and Caribbean Foundation?

A Yes.

Q Did you ever discuss the Gulf and Caribbean Foundation with Oliver North?

A I'm sure I did at one point or another.

Q Do you recall any discussion?

A I don't recall any specifics. I do recall that, I

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think the first time that Colonel North asked me for money, the money that was eventually transferred to Mr. Robelo's account--I actually think Colonel North thought I was going to go to the Gulf and Caribbean sponsors, as opposed to Mr. Channel, but that's only a sum total recollection. It's not a specific recollection.

Q You are familiar, of course, with the chart prepared by Colonel North that was printed in the Tower Commission report and has been marked earlier as an exhibit in this deposition.

A I was provided a copy of it by your Committee and I've had a chance to review it.

Q You've seen it before?

A Yes.

Q And you're aware that there's a box on that chart that indicates the GNC Foundation?

A Yes.

Q Do you have any information as to why Colonel North included what appears to be a reference to the Gulf and Caribbean Foundation on that chart?

A No.

Q Do you believe that any discussion you had with Colonel North could have been the basis for his including that reference on the chart?

A It's entirely possible but I don't have any

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specific recollections of a conversation either about the chart or including them in some formal structure.

Q Also on page 11, Mr. Miller, there's an indication that IBC received $9,800 from Kate Macinnis. Now, was Kate Macinnis a secretary at your organization?

A No. Kate Macinnis is our office manager.

Q She was an office manager. Is it your recollection that there was a financial entry in your books showing receipt of $9,800 from Kate Macinnis?

A No.

Q Do you have any explanation for such an entry?

A Without going back to my books and specific detail, no. I think it's an error in your document.

Q Mr. Miller. Turn to page 32. On that page, the report indicates payments by Miller Communications to Kate Macinnis in February through May of 1986 totaling $35,863. Do you recall such transfers from Miller Communications to Kate Macinnis?

A No. Again, I think it is an error in your report. There is simply the name on the check. I think they are probably either my draw or travel advance, and she simply cashed the check.

Q There is a particular entry dated March 24, 1986 for $31,663, and there is a notation NBW. Do you recall a transfer to her in that approximate amount in March of 1986?

A No. Again, it wasn't a transfer to her. That is simply her cashing a check in order to write either a cashier's check or a treasurer's check to myself.

Q You believe it was one of the two.

A Yes.

Q Do you recall--

A It may have been Kenneth, but I don't ever remember carrying $31,000 in cash away from the office, so I suspect it was probably a treasurer's or a cashier's check.

Q Do you recall placing an order for a cashier's check or a treasurer's check in the amount of $31,663 in March of 1986?

A Not specifically, but I can check my records. I don't specifically recall it.

Q If you turn to page 17, Mr. Miller, on that page you will note that the report indicates that there were IBC checks to cash in March of 1986: a check, March 21, for $20,005; a check, March 26, of $20,005, and a check in April, April 15, for $20,010. Do you recall IBC making such cash withdrawals in March and April of 1986?

A Not specifically, but I am also not accepting your assertion that these are cash withdrawals. These may have been inter?account transfers or the purchase of treasurer's checks or cashier's checks.

Q All right, do you recall any purchase of treasurer's

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checks or cashier's checks in those amounts in March and April of 1986?

A None in specific, no.

Q Now, in response to my question about Kate Macinnis and about these transactions, you have referred, on both occasions, to the possibility of treasurer's or cashier's checks in amounts of $20,000 or $30,000. Do you recall that you obtained cashier's checks or traveler's checks in that approximate amount at that time?

A I never said traveler's checks. I said treasurer's checks.

Q I'm sorry, treasurer's checks or cashier's checks.

A Again, I don't in specific detail, but that's entirely possible that it either was that or these were inter-account transfers.

Q Well, you say that's entirely possible. Do you recall making transfers in the range of $20,000-$30,000 by cashier's checks and treasurer's checks?

A I recall transfers in the amount of $20,000. How the specific transactions were handled, I can't remember specifically without looking at my records.

Q So you have no recollection of withdrawals in the March and April 1986 period that total approximately $100,000 in four transactions, three transactions reflected on page 17 for $20,000 each payable to Cash and the other transaction

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from Miller Communications of $30,000 on March 24, payable to Kate Macinnis?

Q Well, in keeping with what my counsel said earlier and to reflect my answer a moment ago, I remember $20,000 transfers. I can't, from your document--I do not have, from your document, a specific refreshment of my recollection about these individual transfers.

Q What $20,000 transfers do you recall?

A No, I simply remember making $20,000 transfers.

Q To whom?

A I don't remember specifically whom and I couldn't remember them off the top of my head without looking at my business records. Again, they may have been inter-company transfers.

Q If you were seeking a treasurer's check or a cashier's check from the bank, would you make the IBC check payable to Cash?

A It's been done that way, yes.

Q Might you also make it payable to Kate Macinnis?

A I might make it payable to Kate Macinnis. I might make it payable to the National Bank of Washington.

Q It would be one of the three?

A Right. It could also be made out to me as an individual and I could endorse it and the bank would accept the endorsement. It could also be made out as a corporation with the bank accepting the endorsement of the corporation.

Q If you would turn to page 13, the exhibit indicates transfers to IBC totalling $15,000 from the Institute for North South Issues. Do you recall IBC receiving payments from the Institute for North South Issues?

A Yes.

Q What was the purpose of those payments?

A We were paid a monthly rent for the office space, use of the telephones, and other facilities, xeroxing, receptionist by the Institute of $15,000 a month. I think if you look at--

Q You said $15,000 a month.

A $1,500 a month, I'm sorry. $1,500 a month.

Q Is it your recollection that you received total payments of approximately $15,000 for such rent and overhead?

A Well, I specifically remember getting $1,500 a month from them. These figures are all in $1,500 increments, so I would assume these are all rent payments. I don't believe we've ever received anything but rent payments from them.

Q You don't recall ever receiving a fee of any sort from the Institute for North South Issues?

A No.

Q Okay. Also on that page, there's an indication of a transfer of funds from Ransom F. Shoup and the company,

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payments totalling $15,170. Is that a client of your firm?

A Yes.

Q Has your firm performed public-relations services for that client?

A Yes.

Q Are those payments unrelated to your work in connection with the Nicaraguan Resistance?

A Yes.

Q Turning to page 14, Mr. Miller, there's an account that begins on the preceding page, 13, where our accountants have not been able to identify the source of funds to IBC and I want to ask you about certain entries on there and just ask you if you recall what the source of the funds were. In particular, there's a reference to a payment on September 25, 1985 of $16,340. Do you recall receiving a payment in approximately that amount at that time?

A Yes.

Q What was the source of those funds?

A I believe, again from just trying to recollect from your document refreshing my memory that that was a payment by the Indonesian World Trade Center.

Q Did any such payment have any connection with your work for the Nicaraguan Resistance?

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A No.

Q Also on that page, Mr. Miller, there's an entry for

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a payment on March 3, 1986 of $7,000. Do you recall a payment in that amount at that time?

A Not specifically.

Q You will also note a payment on June 11, 1986 of $25,000. Do you recall a $25,000 payment in June of 1986?

A Not specifically.

Q When you say not specifically--

A I have no recollection of that without going back to my business records.

Q Further down, there's an entry for a payment of $10,000 on September 29, 1986. Do you recall a payment of that amount at that time?

A No, I don't recall it.

Q There's an entry for a payment of $8,500 on October 2, 1986. Do you recall a payment of that amount at that time?

A No.

Q There is an entry for a payment of $38,100 on November 10, 1986. Do you recall a payment of that amount at approximately that time?

A I think it's $30,100, but I don't recall the specifics of that.

Q Off the record.

[Brief pause off the record.]

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BY MR. FRYMAN:

Q In any case, Mr. Miller, just so there's no confusion over this, page 14 indicates a payment of $38,100 on November 10, 1986. Do you have any recollection of a payment in that approximate amount at that approximate time?

A No.

MR. PRECUP: Mr. Fryman, I would observe too that the word payment is not indicated anywhere on the face of this column. It shows a receipt, but whether that's a payment or some other transaction is not specified on this sheet, so if there's some other information that you have that indicates it's a payment, I would appreciate you telling the witness that.

MR. FRYMAN: Well, I'm trying to be as non-technical as possible, Mr. Precup. What the sheet indicates is that IBC received funds in that amount at approximately that date and by payment, I meant a payment to IBC.

BY MR. FRYMAN:

Q Finally on this page, Mr. Miller, there's an entry of a receipt of $20,000 on November 12, 1986. Do you have any recollection of the receipt of approximately that amount at that time?

A I think in that period--no, I don't. I'm sorry. I don't have a specific recollection.

Q Further on that page, there are entries indicating payments to IBC, or receipts by IBC, of $356,471.66 from the U.S. Treasury. Do you recall receiving such monies from the

U.S. Treasury?

A Yes.

Q What were those funds for?

A These are in relation to the State Department contracts.

Q There's one there for $14.50 on October 24, 1985. Do you have any recollection as to what that relates to?

A I don't have a specific recollection, but it may well be a refund on one of our corporate tax returns.

Q But I take it, you don't believe that relates to the State Department contract?

A No, I don't think we ever got a check that small from the State Department.

Q But are the other entries in that column consistent with your recollection of payments to IBC from the State Department?

A All but the first one and I would have to verify that from my business records. The others all seem consistent.

Q You recall a series of payments for $12,858?

A That's correct.

Q And you recall a large payment for $216,381.16?

A Yes.

Q And a final payment of $25,670?

A Correct.

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Q Turning to page 15, there's a notation that your account received $6,761.55 in December of 1986 from the Western Goals Foundation. Do you recall receiving a payment of approximately that amount at that time?

A Yes.

Q What was that for?

A It was for the beginning of a radio program they wanted to put on the air.

Q And Western Goals was an organization controlled by Mr. Channel at that time?

A Well, he was involved with it at that time. Whether he was in direct control, I don't know.

Q Did you consider Mr. Channel the individual who made the decision to make a payment to you on behalf of Western Goals?

A In conjunction with Mr. Conrad who was, at that time, I believe the Executive Director of Western Goals.

Q There are also on that page/ entries indicating receipts of $20,000 from William Mulvey, Inc. Is William Mulvey, Inc. a client of your firm?

A Yes.

Q And you've rendered public-relations services for that client?

A And other services as well.

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Q And am I correct that the receipts from that client had nothing to do with your work for the Nicaraguan Resistance?

A That's correct.

Q On that page, there are further series of payments at this point, beginning after the first two entries, which are reflected as a debit column, of payments to 1607 Associates and 1912 Sunderland Associates. Is it your recollection that you made such payments to such entities as rent payments?

A Rent and other services.

Q On page 16, Mr. Miller, there are also a series of payments reflected to Bragg Communications for the period June 1985 through January of 1986. Is it your recollection that you made such payments to Bragg Communications for rent also?

A That's correct.

Q Continuing on page 16, there is an indication of a payment of $10,000 in November 1986 to Frederick Arguello from the IBC account. Do you recall making such a payment from that account in November of 1986?

A It was money that was transferred to him at the direction of Colonel North.

Q Did this reflect funds that you received from Mr. Channel's organization?

A Yes. I'm not sure you have the right account, but

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that's--

Q Our analysis indicates this came out of an IBC bank account. Is that inconsistent with your recollection?

A My recollection was that it came out of the Miller Communications account, but that may--I wouldn't be able to swear to either one of them without looking at the bank records.

Q In any case, you recall a payment to Frederick Arguello in November of 1986 of $10,000 that was made at the direction of Colonel North, right?

A Correct. Can we take a quick break?

Q Sure.

Q Turning to page 16, or continuing on page 16, Mr. Miller, there are two payments on that page, in July of 1985, of $50,000 each, to Gary Bagdasarian, and I believe Mr. Kaplan asked you some questions about Gary Bagdasarian at an earlier session of your deposition.

But I want to just pursue this a bit more. Do you recall making two $50,000 payments to Mr. Bagdasarian in July of 1985?

A Yes.

Q I believe you've testified earlier, that this had some relation to your association with al-Massoudi?

A That's correct.

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Q Did al-Massoudi request that you make these payments to Mr. Bagdasarian?

A Yes.

Q What did you understand was the reason for the payments?

A It was some performance bond which needed to be satisfied, and Mr. Bagdasarian is his attorney and he was responsible for taking care of it.

Q Now the association with al-Massoudi was an association that you were pursuing at the request of Colonel North, is that correct?

A Correct.

Q Now, did Colonel North arrange for you to be reimbursed for this $100,000?

A Yes.

Q How did he do that?

A It was a reimbursement that came, I think before the end of 1985.

Q How was the reimbursement paid to you?

A Well, I kept a running ledger sheet which I provided him copies of, which showed subtractions from the money given to us by NEPL and other sources, and the subtractions were for expenditures made by his direction, or on his behalf, and I would have reported it in that fashion. So it would have been a subtraction situation for me. I would have subtracted it from the total.

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Q So, when you refer to the monies paid by NEPL, are you referring to the monies paid by NEPL to the IBC account, that you then relayed to the IC account, and then relayed to other entities at Colonel North's direction?

A No. As I've testified earlier, the problem that we encountered was, in the beginning we were doing a lot of Colonel North's business out of the IBC accounts, and we eventually tried to move it all into the IC, Inc. account.

Q Right.

A But this is an early instance in which we expended money directly out of the IBC accounts for one of the things that he had directed.

Q Right. But going back to your July 1985 meeting with Colonel North and Mr. Channell, where there was a discussion that NEPL would transfer a certain number of dollars to one of your accounts, and then you would arrange to transfer those monies to other entities at the direction of Colonel North--am I correct in understanding from your answer, that at some point in 1985, Colonel North authorized you to hold for your own purposes $100,000 of such funds that NEPL had transferred as reimbursement for these expenditures to Mr. Bagdasarian?

A Yes.

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Q Turning to page 17, there's an indication of a payment by IBC to Bruce Cameron of $10,000 in January 1986.

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Do you recall paying such an amount to Mr. Cameron?

A Yes.

Q What was that for?

A It was for a legislative analysis by Mr. Cameron on the climate on Capitol Hill for continued aid to the Nicaraguan resistance.

Q Was this for a particular paper that he was preparing for you, or was it for continued services over a period of time?

A I recall that there was some form of a report--there may have been more than one--but beyond that, I can't recall the specifics of the relationship without going back and looking at my records.

Q How did you happen to retain Mr. Cameron?

A Bruce was recommended to us by Penn Kemble of the Institute for Religion and Democracy, and we received a recommendation from Elliott Abrams also.

Q When you say you received a recommendation, do you recall what they said about him, what was the nature of the recommendation?

A That he was working hard for the policies, and that he had been made to pay a heavy price by his former colleagues, and that if there was a way to incorporate him into the effort we should do it. And all those conversations were predicated on the fact that we were looking for somebody to

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do precisely that, and in our book those two things were qualification enough for him.

Q Did Mr. Abrams indicate that Mr. Cameron had been useful in the effort?

A I don't recall that. I recall Elliott saying that he was a good man, and that he knew Central America extremely well and knew the legislative process involving Central America extremely well.

Q When did this discussion with Mr. Abrams occur?

A I can't recall, specifically, but some time around December, I guess.

Q Was it just you and Mr. Abrams?

A As I recall it was a phone conversation, but my recollection is sketchy. I think I got a letter from Penn Kemble, and I think I got a phone call from Elliott Abrams.

Q Asking you to retain Cameron?

A Well, the letter from Penn Kemble asked me to retain Cameron. The phone call from Elliott Abrams was what I had just recounted to you.

Q I mean, did you consider that a request by Mr. Abrams, that you retain Cameron?

A No. I considered it a recommendation by Mr. Abrams.

Q But is it your recollection that that was the principal subject of the phone call, that he called you with respect to a recommendation of Mr. Cameron?

A Yes.

Q Are you aware that Mr. Channell also retained Mr. Cameron in 1986?

A Yes.

Q Do you know the purpose for which Mr. Channell retained Mr. Cameron?

A Well, in general terms, yes.

Q Did you discuss with Mr. Channell his retention of Mr. Cameron?

A Well, actually, I think this transaction that you and I just discussed a moment ago was the beginning of that relationship, and then I think it continued on. I can't attest to the financial transactions between the two of them because I wasn't made aware of them, but the general work continued to be about the same, legislative analysis.

Q Was Mr. Cameron performing lobbying services?

A I don't think under his contract with NEPL he was performing lobbying services. He may have received money from Mr. Channell for lobbying services, but I'm not positive about that.

Q Was he performing lobbying services for you?

A I didn't consider this lobbying services.

Q What period of time did his services cover for you, for which you paid him $10,000?

A Actually, I think that is $10,000 out of a total

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commitment to him of about $40,000, and it spanned several months, and, again, without looking at the letters, the exchange of letters or subsequent documents in the file, I can't tell you exactly how many months it was.

But it's at least four months, and it entailed more than just Mr. Cameron. It entailed employees of Mr. Cameron.

Q Well, is it your recollection that your company paid him $40,000?

A No. It's my recollection that the original request from him was for $40,000, and I think this $10,000 is the initial payment of that $40,000.

Q Is it your recollection that subsequent payments came directly from Mr. Channell?

A I think that's right. I'm hazy on my recollection but I think that's correct.

Q Was there some reason that there was a transfer of compensation to Mr. Cameron from your organization to Mr. Channell's organization?

A Mr. Channell wanted it that way.

Q He did?

A Yes.

Q That's something you recall discussing with Mr. Channell?

A Yes.

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Q Do you know why he wanted it that way?

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A No.

Q He didn't indicate why he wanted it that way?

A Not that I specifically remember.

Q Continuing on page 17 of Exhibit 29, Mr. Miller, there's a reference to a payment of $9,300 to Ricardo Carrasco in October of 1985. Do you recall such a payment?

A I don't. I've never seen the name Ricardo Carrasco, or don't recall seeing it.

Q So you have no idea what such a payment would have been for?

A Again, I've never heard of Ricardo Carrasco, or at least I don't remember Ricardo Carrasco in any way.

Q All right. At the bottom of that page, there's an indication of a payment in September of 1985 to Arturo Cruz of $10,005. Do you recall such a payment in September of 1985?

A Yes. The five dollars is simply a charge for a cashier's check.

Q So the payment was for $10,000?

A That's correct.

Q We were talking earlier, on that same page, about the notations of payments to cash in March and April of 1986 for $20,005 and $20,010. Do those amounts indicate to you that those were cashier's checks or treasurer's checks as well?

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A It's entirely possible that those are service charges for cashier's or treasurer's checks.

Q Why did you pay Mr. Cruz $10,000 in September of 1985?

A Colonel North asked me to.

Q What was the source of those funds?

A That was NEPL money.

Q Turning to page 18, we were talking earlier about payments to David Fischer, and you will note that there is an indication of a $50,000 payment to David Fischer and Associates on April 18, 1986.

Does that refresh your recollection about such a payment in that amount, in April of 1986?

A Again, I recall making a $50,000 payment to Mr. Fischer. I don't recall a specific date, but I'll accept your record of it.

Q Why did you make a $50,000 payment to Mr. Fischer?

A He requested it.

Q That's the only reason?

A That's correct.

Q You indicated earlier this morning that you had a commitment to Mr. Fischer and Mr. Artiano to pay them $480,000, is that correct?

A That's correct.

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Q You understood that they had performed the services for which they were entitled to be paid that amount during a period of six months?

A That's correct.

Q That six months began in December of 1985?

A Actually, January of 1986.

Q It began in January of 1986.

A They began work in December, but the period that I'm talking about, the intensive work that they carried out, was in the first six months of 1986.

Q The six months ending June of 1986?

A That's correct.

Q You've also indicated this morning, that you paid Mr. Fischer $105,000 of that $480,000 in January or February of 1987. Is that correct?

A That's correct.

Q So is it correct, that in effect, you owed Mr. Fischer more than $100,000 for a six-month period? He had completed his services in June of 1986, but you did not finish compensating him for those services until January of 1987?

A As I told you earlier in my testimony, our agreement was for $20,000 a month for 24 months, and within reason, they could make cash calls along the way, and both that $50,000 and the $105,000 that you've asked me about were the result of cash calls.

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Q But the services that were being performed for those

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monies were completed, in your view, in June of 1986?

A That's correct.

Q Also on page 18, Mr. Miller, there's an indication of payment to something called Eason, E-a-s-o-n, Associates. Do you know what Eason Associates is?

A Yes. That's my graphic arts subcontractor.

Q Do you recall a payment to Eason Associates of $12,000 in June of 1986?

A Not specifically.

Q Were any payments that you made to Eason Associates payments for services that they rendered to your organization/

A Yes. They all were.

Q Payments for services in the area of graphic arts?

A That's correct.

Q Who was Rafael Flores?

A He's an employee.

Q You will note on page 18, there are indications of periodic payments to Mr. Flores, the first of approximately $477, and later, approximately $524.[illegible] Do you recall such periodic payments to him?

A I'm sure they're salary payments.

Q Salary payments. Now there's also an indication of two significantly larger payments to Mr. Flores, one in January 1986 of $5,128.74, and a second on March 11, 1986, of $6,740.69.

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Do you recall such larger payments to Mr. Flores?

A Not specifically.

Q Well, do you ever recall making payments to Mr. Flores apart from his monthly salary payments?

A Yes.

Q For what purposes?

A He was the principal escort in the beginning of the Central American Freedom Program for our speakers, and later, was one of several escorts, and he didn't carry any credit cards, and he generally travelled with traveller's checks as opposed to using credit cards, and that's the way he paid his bills on the road.

Q Well, is it your recollection that you provided traveller's checks to him by means of an IBC check payable to him?

A To him, to cash, or to NBW, or to American Express, any one of those ways.

Q Do you have any recollection of any other larger payments to Mr. Flores?

A Not offhand, no.

Q Turning to page 19, there is an indication of payments to H-u-m-b-e-r-t-o Q-u-i-n-o-n-e-s. Do you recall payments to an individual named Humberto Quinones?

A Yes.

Q Who is Mr. Quinones?

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A He is a consultant to IBC.

Q Why were you paying him money?

A For a client matter unrelated to this investigation.

Q A matter that has not relation to your work for the Nicaraguan resistance?

A That's correct.

Q What is his area of specialty?

A Predominantly the Caribbean and South America.

Q You mean he's knowledgeable about political matters in that area?

A Political, but predominantly business, trade, and development.

Q Does he have his own firm?

A I believe he does have his own firm, yes.

Q Do you know what his background is?

A He's a Cuban-American, and he's done work with several Central American and Caribbean governments.

Q Turning to page 20, there's an indication of a payment in March 1986 of $6,206.85 to Kemp Enterprises.

Do you recall a payment to Kemp Enterprises?

A Yes.

Q What is Kemp Enterprises?

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A That is a producer, whose last name is Kemp, who produced the "Bitter Legacy" film for us under the Central American Freedom Program. I can't recall his first name. I

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can't remember his first name.

Q Is it your recollection that there was a payment in the range of $6,000 in March of 1986 for the preparation of that program?

A Yes.

Q Who is Kevin Hopkins?

A He's a writer.

Q Do you recall paying Kevin Hopkins $5,000 in the summer of 1986?

A Yes.

Q Why did you pay him that money?

A It was for writing a brochure.

Q About what?

A IBC. Well, Kevin did many things, so I'm not sure exactly which activity that was for.

Q Did he perform any services in connection with your work on behalf of the Nicaraguan resistance?

A No.

Q There's a notation on page 20, Mr. Miller, that IBC paid $25,000 to the Latin American Strategic Studies Institute in March 1986.

Do you recall paying such an amount at approximately that time?

A Yes.

Q Why did you pay those monies?

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A. It was requested by Dr. Calero and approved by Colonel North.

Q What was the source of those funds?

A That was NEPL money.

Q Who is Gerald McElsay? M-c-E-l-s-a-y.

A I have no idea.

Q There's an indication on page 21 of a $10,000 payment to Gerald McElsay in July of 1985. Do you have any recollection of such a payment?

A I don't remember the name, Gerald McElsay. I'd have to go back to my business records.

Q Turning to page 22, do you know, or do you recognize the name Shokiri Moniereh? S-h-o-k-i-r-i. M-o-n-i-e-r-e-h.

A Yes, but it's inverted.

Q How should it appear?

A Moniereh Shokiri.

Q Who is that individual?

A That is Ibrahim al-Massoudi's wife and business partner.

Q Did you make payments to her of approximately $46,000 in 1985?

A Yes.

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Q Why did you make those payments?

A These were payments for office expenses, telephone, Telex, and fees associated with the al-Massoudi business.

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Q Now were you reimbursed for those expenses?

A Yes.

Q Colonel North authorized you to be reimbursed for those expenses?

A Yes.

Q What was the source of funds for that reimbursement?

A NEPL.

Q Now we've talked, Mr. Miller, about your being reimbursed for the payments to Gary Bagdasarian, and the $46,000 in payments to Moniereh Shokiri.

There's also a notation, on page 21, of a $25,000 payment to Massoudi in July of 1985. Do you recall that payment?

A Not specifically.

Q Well, do you recall paying monies to al-Massoudi?

A I don't remember this entry, specifically. It doesn't refresh a specific recollection.

Q Did you keep a record of all of the funds that you had expended on behalf of al-Massoudi?

A Yes, and we also produced a 1099 at the end of 1986.

Q Did you ask Colonel North, that you be authorized to be reimbursed for all of the expenditures you had made on behalf of al-Massoudi?

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A Yes.

Q Did he authorize such reimbursement?

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A Yes.

Q Did you take such amounts out of the NEPL funds?

A Yes.

Q What is your recollection of the total amount of the reimbursement?

A At this point, it's about 350-some thousand dollars. Our accountants, in their first 1099, missed the second $50,000 transfer to Bagdasarian, so they reported it in the 1099 as $291,000, I think, or 290-some thousand, and actually there was another $50,000 for Bagdasarian. And they missed one other item, but I've forgotten exactly how much it was.

Q So it was approximately $350,000?

A That's right.

Q You took approximately $350,000 from the NEPL funds, pursuant to the authorization from Colonel North?

A My only problem with your using the word NEPL-- there may have been other funds that came back from IC, Inc. through World Affairs Counsellors, but I couldn't swear to that. But it was for money for the resistance. It was from money for the resistance.

Q Now we talked earlier about your discussions with Colonel North where he authorized you to take a 10 percent fee for your services in making these transfers of the NEPL funds.

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Am I correct in understanding that his authorization of the reimbursement of the funds you had expended on behalf of al-Massoudi was in addition to this 10 percent service charge that he authorized you to take?

A That's correct. I would say that the $10,000 was as much a reaction to the al-Massoudi business, though. Or 10 percent. Excuse me. And that it was clear to me, after the business year came to a close in 1986, or '85, that we were expending an extreme amount of time on this, and going in the hole, and that wasn't acceptable. You can't continue doing business that way.

Q Correct. But it was not your understanding that your reimbursement of the $350,000 that we've been discussing was to come from the 10 percent service charge that Colonel North had authorized?

A That's correct.

Q You were to be reimbursed directly on a dollar-for-dollar basis from the funds transferred to your accounts?

A That's correct.

Q Turning to page 23, there is a reference at the top to M-o-u-f-i-d, slash, A-r-n-o-u-s. Do you recognize that as a name?

A Yes.

Q Who is that person?

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A He's a business partner, associate of al-Massoudi.

Q Is that the correct way that you understand the name should be written? Moufid Arnous?

A Yes.

Q Do you recall paying him $12,000 at the request of al-Massoudi?

A Yes. And the second item that you have listed, the ten thousand, may be the $10,000 associated with the airline tickets I was recalling, but I'm very hazy on the recollection.

Q Were payments to Moufid Arnous part of the reimbursement that Colonel North authorized?

A Yes.

Q Now continuing on page 23, and 24 as well, Mr. Miller, there is indication of a variety of payments from IBC to the National Bank of Washington, and I want to review some of these with you.

First, there is an indication of periodic payments to the National Bank of Washington in the range of $5,000, and another group of periodic payments in the range of $3,000.

Do you recall your company making a number of payments to the National Bank of Washington in the $3,000 and $5,000 range?

A Not specifically.

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MR. PRECUP: I think the record should reflect that in the series to which Mr. Fryman has just pointed ~~um~~ out, none of the checks seem to be in identical amounts. There are some checks that are in the amount of 3,000, some in the amount of five, both with change, if you will, but not what I think are fairly characterized as periodic payments.

MR. FRYMAN: Let me approach this another way, then, Mr Precup.

BY MR. FRYMAN:

Q Was the National Bank of Washington the principal bank for IBC?

A Yes.

Q Did IBC have loans with the National Bank of Washington?

A We have had two loans, I believe, with the National Bank of Washington.

Q What was the nature of those loans?

A Business loans. We borrowed money from them, ~~and~~ based on future receivables, and repaid it.

Q Did you repay it on a monthly basis or was it a demand note with the total principle to repay it at a certain date?

A As I recall, they were both demand notes, and they were paid in full.

Q All right. So you had no other loan relationship with the National Bank of Washington other than those two specific loans you've referred to?

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A That's correct.

Q Now, did you use the National Bank of Washington in connection with making tax payments?

A Yes.

Q How did that work?

A We made our tax payments at the National Bank of Washington.

Q These are employee taxes?

A All forms of taxes.

Q Withholding taxes. And so you made a number of periodic checks to the National Bank of Washington for that purpose?

A Well, I don't know how to characterize it, whether I'd characterize it as "periodic," but I'm sure that's the form in which we paid our payroll taxes, was by check.

Q All right. By checks payable to the National Bank of Washington?

A I believe that's correct. I think that's how you'd pay them.

Q Now other than payments to the National Bank of Washington for interest on the loan and repayment of the principle on the loan, and payments to the National Bank of Washington for various taxes, what other payments did you make to the National Bank of Washington?

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A None that I'm aware of other than registration fees, or standard banking fees.

Q Did you purchase, from time to time, cashier's checks or traveller's checks, or treasurer's checks, at the National Bank of Washington?

A I'm sure at some time we purchased all three of those.

Q Now directing your attention again to page 23, there's an indication of a payment to the National Bank of Washington in April 1985 of $14,005.[redacted]

Do you recall a payment in that amount at that approximate time?

A Not specifically, no.

Q Does that $5 amount indicate to you that that was a check for the purchase of a cashier's check or treasurer's check?

A That is possible, but it still doesn't refresh my recollection.

Q Well, do you recall the purchase of a cashier's check or treasurer's check in April of 1985 for $14,000?

A Not specifically.

Q There's also an indication of a payment to the National Bank of Washington in August 1985 of $18,545.[redacted] Do you recall a payment of that amount at about that time?

A That was the payment I had described to you earlier as one of the al-Masaoudi matters dealing with the hostage

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situation.

Q Why was that payable to the National Bank of Washington?

A I think it was for traveller's checks and they were transmitted to him in Geneva.

Q Was that an amount that Colonel North authorized the reimbursement from the NEPL funds?

A Yes.

Q There's also, at the bottom of page 23, an indication of a payment of $20,010 to the National Bank of Washington on May 15, 1986.

Do you recall a payment of approximately that amount at approximately that date?

A Not specifically, no.

Q Turning to page 24, there's an indication of two payments to the Nicaraguan Development Council, one in December 1985 of $6,000, and one in March of 1986 of $25,000.

Do you recall those payments?

A I recall making payments in that amount to the Nicaraguan Development Council.

Q Why did you make such payments?

A I can't recall, at the moment, what specifically they were for.

Q Were these payments made at the direction of Colonel North?

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A If not the direction, at least the approval of Colonel North.

Q Were these from the NEPL funds?

A Yes.

Q Also on that page, there's an indication of two payments to Mr. Robelo of $30,000 each, one in July of 1985, and the other in September of 1985.

Do you recall such payments?

A I recall transferring two $30,000 payments to Commercial Tooling in Costa Rica, and I was aware at the time that that was a Robelo organization.

Q Were these transfers from the IBC account?

A Yes.

Q Were these done at the direction of Colonel North?

A Yes.

Q Also on page 24, Mr. Miller, there is an indication of a payment of $20,000 on January 21, 1986, and our accountants have not been able to identify the recipient.

Do you recall a payment of $20,000 on January 21, 1986?

A Not specifically.

Q Who is Lawrence Stuart Young?

A He's a television producer in Miami.

Q Do you recall making payments to him in 1985?

A Yes.

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Q What was the purpose of those payments?

A He was the director and field producer for our first documentary with Dr. Joachim Maitre.

Q Did those payments total approximately $13,000, to your recollection?

A Yes.

Q What was the subject of that documentary?

A The freedom fighters and their military viability, and their level of popular support in Nicaragua.

Q Was that the documentary that was later revised by the Robert Goodman Agency?

A Yes.

Q What is ZGS?

A It's a videotape production company.

Q Did you make payments to that company in 1986?

A Yes.

Q What was the purpose of those payments?

A Those were production costs associated with our multiple client responsibilities, some of them NEPL, some of them other clients.

Q You described ZGS as a production company?

A That's correct. Videotape production company.

Q Do you mean that they would take a script and they would film a commercial? Or what would they do?

A They [illegible] t [illegible] y of the NEPL television

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commercials. This is documentary production, credits, film duplication, editing, general production, videotape production.

Q Who is Tony Zumbado?

A He's a producer from Miami who was employed during the Central America Freedom Program to develop the contra-film units.

Q What is that?

A He actually had camera crews who were resident in Nicaragua, and Honduras and Costa Rica, whom he retained to shoot film footage. He was the principal field producer on the Wesley Smith documentary.

Q You paid him approximately $30,000?

A Yes.

Q What was the Wesley Smith documentary?

A It's called "Bitter Legacy" and it is about the Sandinista repression of religious and political opposition in Nicaragua.

Q Is that the documentary that Mr. Young worked on?

A No.

Q So that's a different documentary than the one that the Goodman Agency revised?

A That's correct.

Q What use was made of "Bitter Legacy"?

A It was provided t[illegible]on stations on a request

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basis, was put up on the satellite, and has been used as a "leave behind" with organizations, television stations, when speakers spoke to either of those.

Q Do you know whether air time was purchased for "Bitter Legacy" on television stations?

A I don't ever recall purchasing time on television stations for "Bitter Legacy." We did put it up on the satellite, and you pay for the satellite time, but then the stations take it and it is up to them to air it, or not.

Q But you're not aware of it being aired as a paid program?

A I don't recall it ever being aired as a paid program.

Q Do you recall it ever being aired as a public-service program?

A Some of the television stations who interviewed some of the speakers did use it, subsequently, as a public-affairs program.

Q Public-affairs program. Turning, Mr. Miller, to page 27 which concerns the IC account in the Cayman Islands, there is a reference to a receipt in July of 1986 of $55,753. Do you see that?

A Yes.

Q Are you aware that the IC account received such an amount at approximately that time?

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A No. I think your record's incorrect. I think that's an interaccount transfer which you're attributing to an outside source.

Q Now our analysis indicates that the IC account received funds from Herbert Barness, the Heritage Foundation, IBC, NEPL, and interest payments. Are you aware of any sources of funds to the IC account other than the sources I just indicated?

A No.

Q It's your belief that the entry on this sheet, dated July 31, 1986, for $55,753, should be an entry for an interaccount transfer?

A Correct.

Q When you refer to "interaccount transfers," what do you mean?

A The managing directors in the Cayman Islands set up additional accounts in order to draw interest without our direction. They simply took it upon themselves to do it, and when we would require transfers to be made out, sometimes they would have to accumulate the sum in one of the accounts and they did that by transferring the amounts from other accounts. And I believe your entire bottom section probably is redundant to the top section. So I'm very dubious about your analysis.

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Q Turning, again, to page 32, we've talked earlier

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today about the indication of a payment from Miller Communications to Kate Macinnis in March of 1986 for $31,663.00.

I believe you indicated that that was for some purpose other than a direct payment to Kate Macinnis.

A That's correct.

Q I believe it was for a purchase of a cashier's check or a treasurer's check, or some other sort of transfer. Is that correct?

A Some other form of transfer. That's correct.

Q Do you have any recollection of a payment or a transfer in that amount from Miller Communications in March of 1986?

A No.

Q If you will turn to page 33, there is an indication of a transfer from Miller Communications to the National Bank of Washington in December 1986 of $64,791.04.

Do you recall a transfer in that approximate amount, or a payment in that approximate amount in December 1986?

A Again, I'm sure it was for some instrument of some sort, but I don't specifically recall. It could have well been year-end draw. Something that will cheer the IRS.

Q Now going back to page four of this exhibit, there's an indication, Mr. Miller, that in 1985 and 1986-- [illegible] the total figure combined for 1985 and 1986?

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Q For 1985 and 1986, yes. This analysis covers January 1985 through December 1986, and it indicates payments to IBC from NEPL of $5,037,751.

Is it your recollection that in that two-year period/ IBC received payments from NEPL in the approximate amount of $5 million?

A I can't attest to that figure without going back and looking at my business records.

Q I'm not asking you to attest to that figure. My question is, is it your recollection that in that two-year period, the total payments to IBC from NEPL were approximately $5 million?

A Approximately $5 million, yes.

Q Is that correct? That's your recollection?

A Yes.

Q Now, in addition, page four indicates that IBC received a payment from the Western Goals Foundation of $6,762, which we discussed earlier today, and you indicated that you recall a payment in approximately that amount from Western Goals, is that correct?

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A Yes.

Q Page four also indicates that IBC received payments from the American Conservative Trust of $11,440. Is it your recollection that in this two-year period, IBC received payments from the American Conservative Trust in approximately that amount, of $11,440?

A I don't specifically recall the amount, but I recall receiving compensation in rough approximation of that figure.

Q From the American Conservative Trust?

A Yes.

Q There's also an indication here of receipts by IBC of $21,000 from the Palmer National Bank. Do you recall any receipts from the Palmer National Bank, or do you have any explanation of--well, let me leave the question. Do you recall any receipts in the range of $21,000 from the Palmer National Bank?

A Not from the Palmer National Bank. That would have been money from the National Endowment for the Preservation of Liberty.

MR. PRECUP: Mr. Fryman, before you leave page four, I would like it noted for the record, I have a strong objection to the indication of the words "income" on this page because it is not consistent at all with Mr. Miller's testimony nor with the records themselves, or, I think the facts, that that is income in any income tax, or even financial sense. It may have been receipts. But the income characterization is wholly improper and without foundation.

MR. FRYMAN: Well, Mr. Precup, I'm not asking that Mr. Miller adopt this exhibit in any way, and in the preparation of this exhibit, I don't believe that our accountants intended to suggest by the word "income" that the amounts in that column were taxable income.

I think the word on the cover page, in analysis 3A is "receipts", and I think what you're saying is that you would have preferred that the word "receipts" be used on page four as well.

Is that correct?

MR. PRECUP: Well, I didn't say that. I said I objected to the use of the word "income."

MR. FRYMAN: Well, your objection is noted.

MR. PRECUP: Thank you.

MR. FRYMAN: As I say, I'm not asking you or your client to accept the characterization, and there is not any intent in preparing this to suggest that these amounts were taxable income.

MR. PRECUP: Thank you, Mr. Fryman.

BY MR. FRYMAN:

Q Mr. Miller, in Exhibit 29, there is a reference in several places--and to take an example, page 7 of Exhibit 29--to Carlos Ulet, U-l-e-t. Do you recall a payment to an individual by that name?

A Yes. But it's incorrectly reported as Ulet.

Q What is the correct spelling?

A It's pronounced Ulvert, and it's U-l-v-e-r-t.

Q Who is Carlos Ulvert?

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A He is the--or was the executive director and Washington representative of UNO, Unified Nicaraguan Opposition.

MR. FRYMAN: Off the record.

[Discussion off the record.]

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MR. FRYMAN: I ask the reporter to mark as Miller Deposition Exhibit 30, a composite exhibit composed of a group of pages produced by counsel for Mr. Miller, and IBC.

[The document referred to was marked Miller Deposition Exhibit No. 30 for identification.]

MR. FRYMAN: The first three pages of this exhibit is a handwritten inventory of the materials included in the exhibit, identifying, where possible, the date of the document, and the control number of the document, placed on the document by counsel for IBC, and Mr. Miller.

MR. PRECUP: Those are our control numbers?

MR. FRYMAN: They're your control numbers.

MR. PRECUP: Thank you.

[Pause.]

BY MR. FRYMAN:

Q Mr. Miller, I show you Deposition Exhibit 30 for identification. Mr. Miller, if you would first look at the documents included in Exhibit 30, which begin with your control number 1377. It's a chronological event checklist

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dated March 1, 1985. There then follows, beginning at your document number 1357, a chronological event checklist dated March 15, 1985.

After that, there is a chronological event checklist dated March 20, 1985 which begins with your control number 1368.

Then at page 1385, there is a document headed "Congressional/Public Affairs/Diplomatic Action Plan."

MR. PRECUP: Mr. Fryman, just a moment here. We seem to have a page or two missing. The previous chronological checklist that you identified was our control number 1368, March 20, 1985.

That appears, on our copy, to be a two-page document. It is followed by control number 136--and obliterated--I think it's probably 1369, that starts on page two and continues. So its dates appear not consecutive with those of its preceding pages, and we may be missing a cover sheet.

MR. FRYMAN: Mr. Precup, I believe you are correct.

MR. PRECUP: Is your copy the same way?

MR. FRYMAN: It is.

MR. PRECUP: The document to which I just referred beginning on what appears to be 1369, continues through serial number page 9, and then you just, if I recall correctly, directed our attention to 1385.

MR. FRYMAN: Yes, and it continues through your

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control number 1376.....

MR. PRECUP: Okay. The one that begins, yes, on page two.

MR. FRYMAN: On page two.

MR. PRECUP: All right. Fine.

MR. FRYMAN: There may be missing, in this exhibit, the first page of that document.

Then, at page 1385, as your control number, as I indicated, there's a document headed "Congressional/Public Affairs/Diplomatic Action Plan."

MR. PRECUP: May I ask about that document, Mr. Fryman, please. Ours is marked "confidential." There's no indication of a removal of a security--

MR. FRYMAN: Mr. Precup, that was as produced by you.

Then, beginning at your control number 1389, there's a document dated April 17, 1985, headed "Calendar of Events Regarding Nicaraguan Resistance," which appears to be a two-page document, and finally, at your control number page 1391, there is a document dated April 16, 1985, which is headed "The 208 Group."

On each of these documents, where there is a confidential stamp, that stamp was on the document when it was produced your firm, as counsel for Mr. Miller and IBC.

BY MR. FRYMAN:

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Q Now the documents that I have just identified, Mr. Miller, do you recognize those documents? Have you seen them before?

A I've seen them before.

Q Where did you obtain those documents? And if you obtained them from different sources, would you identify the source for each. If you obtained them all from the same source, if you would just identify the one source.

A I can't tell you specifically who provided me with them. I believe they all came from the same source and it was probably Jonathan Miller at State Department, or possibly Oliver North, but I don't ever remember Ollie North giving me copies of a document like this.

Q Did you ever discuss these documents, or any of these documents with Oliver North?

A I don't remember a specific discussion with Oliver North about these documents.

Q Did you ever discuss these documents with Jonathan Miller?

A Again, I don't have a specific recollection of discussing them with Jonathan Miller.

Q Is it your best recollection that you obtained these documents from Jonathan Miller?

A It's my best recollection that I got them from either Jonathan Miller or Oliver North's office, and I don't

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remember specifically who gave them to us.

Q Do you know who prepared these documents?

A No. I don't.

Q Do you know if Pat Buchanan had any role in preparing these documents?

A I don't know who prepared them. I'm not aware of any role by Pat Buchanan.

Q Did you ever discuss these documents with Pat Buchanan?

A I don't think so.

Q Did you ever meet with Pat Buchanan?

A I've met him one time, I think.

Q That meeting had nothing to do with these documents?

A No.

Q What did you understand was the purpose of these documents?

A They were a reflection of events taking place in Washington, in the United States, that impacted on the Congressional vote for aid to the freedom fighters.

Q Now, on the first page of this group of documents, the chronological event checklist dated March 1, 1985, which has your control number 1377, at the top, under the "Responsibility" column, there is a reference, "State/LPD," and then parentheses, (Miller), close parentheses.

Now, in March of 1985, were you and your company,

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IBC, performing services for the State Department pursuant to a contract?

A Yes.

Q Was that contract with the LPD office of the State Department?

A Yes.

Q Now was it your understanding, that the reference to Miller in the "Responsibility" column under State/LPD, was a reference to you?

A No.

Q Who did you understand that referred to?

A Jonathan Miller.

Q What was the reason you believed that referred to Jonathan Miller instead of yourself?

A Because in other locations where our company was referenced, they usually put Gomez as opposed to putting Miller, and a couple of these things that are attributed to Jonathan Miller, we did not have any involvement in, such as the very first one on the list.

We didn't send out the resource book on Contadora. That was done by somebody other than us.

Q So, then, as an example on the next page, 1378, at the bottom of the page, again in the "Responsibility" column, there is a reference to State/LPD, and under that, paren, (Gomez), close paren. Is that an example that you just

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referred to, of an indication of actions to be taken by IBC and Mr. Gomez, and you, pursuant to your contract with the State Department?

A Well, it's action taken by Mr. Gomez. I'm not sure that is activity expected under the State Department contract. As you can see, in that same entry it also talks about Dan Kuykendall and Dan Kuykendall was not a contractor for the State Department.

There are many other people in this document that are in no way connected to the Federal Government. So this document seems to have relied on a number of people outside government to also take certain actions.

Q So the reference to Gomez on page 1378 is unclear in your mind, whether that's a reference to your duties under the State Department contract?

A Actually, no, I would say it's quite clear in my mind, that we did not set up the Bermudas, Tegrio, and Mike Lima news conference--although I don't even remember Mike. Mike Lima was not at the news conference--on behalf of the State Department. That was done with Dan Kuykendall, the Gulf and Caribbean Foundation.

Q Would you look through these pages and point out to me an example of the sort of entry you referred to where there is a reference to Gomez, and that means work under the IBC contract with the State Department.

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MR. PRECUP: If there is one.

[Pause.]

THE WITNESS: On page 1380, at the very bottom, there's a reference to a Pentecostal minister, who name is Vallardo Antonio Santeliz, and he was somebody that Frank Gomez provided escort services for, and for whom we set up some press interviews.

BY MR. FRYMAN:

Q That was work you were doing pursuant to the State Department contract?

A Yes.

Q Now in that entry, there's also a reference to Mr. Kuykendall, who you indicated earlier you did not believe was working pursuant to a government contract.

Do you have any understanding as to why Mr. Kuykendall is referred to in that same entry?

A Yes. In our contract, we would try and find an organization to sponsor these refugees or these atrocity victims, and in this case, the Gulf and Caribbean Foundation agreed to sponsor this individual.

Q All right.

A On page 1381, there is a reference to Miller/Gomez for Pedro Juaquin Chamorro--misspelled--editor of "La Prensa" for a U.S. media and speaking tour, and that was an activity handled under our State Department contract.

Q Now did you understand the reference to Miller in that entry to be a reference to you or to Jonathan Miller?

A Jonathan Miller. I don't think there are any references to me, personally, in this document.

Q Now, at this time in 1985, what was Jonathan Miller's position?

A I believe he was still the deputy director of the Office for Public Diplomacy.

Q He was an employee of the State Department?

A I believe that's correct, yes. Did you want me to continue?

Q No. You've answered my question. Do you know why, Mr. Miller, that Jonathan Miller, as an employee of the State Department, would be distributing a document, which at page 1383 have your control numbers--refers to the beginning of a "targeted telephone campaign" in 120 Congressional districts, for Citizens for America, district activists, organize a phone tree to targeted Congressional offices, encouraging them to vote for aid to the freedom fighters in Nicaragua.

MR. PRECUP: Excuse me, Mr. Fryman. Did you say why Jonathan Miller would have been undertaking that?

MR. FRYMAN: I think the question was do you know why.

MR. PRECUP: Well, but I don't see Mr. Miller's name on this page [illegible] the antecedent of

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your question there. Why do you put in your question Jonathan Miller, when I don't see his name on the page?

MR. FRYMAN: Well, Mr. Richard Miller indicated that he believed this document had been distributed to him by Jonathan Miller.

MR. PRECUP: Oh, I think his testimony was not quite that. I think he said it was given to him by one of two people, or one or two offices, and he wasn't sure which. Mr. Abramoff's name appears on this event list on page 1383, not that of Miller, Jonathan or otherwise.

MR. FRYMAN: Well, that's true, Mr. Precup.

Let me ask some further questions.

BY MR. FRYMAN:

Q Is it your understanding that Jonathan Miller had any responsibility for the preparation of this chronological event checklist that we're discussing?

A I believe he did, yes.

Q All right. Now let me now ask the question that I asked a minute ago. Do you have any understanding as to why Jonathan Miller, as an employee of the State Department, included in this checklist the item with regard to a targeted telephone campaign that appears on 1383?

A I have no idea why he included it.

Q Did you ever discuss that with him?

A No.

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Q Did it surprise you to see that item on a document that you understood was prepared by an employee of the State Department?

A I don't remember being surprised.

Q Mr. Miller, turning to your control number page 1391, which is the April 16, 1985 sheet headed "208 Group," what was the 208 Group?

A I'm not really sure.

Q Was that a phrase that you ever used in conversations at this time?

A No. The only time I ever heard it was one day Fawn Hall used it. And I said who's that, and she ticked off a whole bunch of names, about seven or eight of them, and I remember I wrote them down. In fact, I produced that piece of paper to you. It was Will Ball and some other folks.

Q Do you know why your files contained pages such as page 1368 and the pages following that, which is the March 20, 1985, chronological event checklist, which have a confidential stamp on them?

(Pause)

A I have no particular explanation as to why. They simply were provided to us.

Q And you believe that was by Jonathan Miller?

A Again, I believe it was by one of two offices, either Jonathan Miller's office or Oliver North's office.

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I also notice that there is on 1385 what seems to be an indication about declassifying. I don't know whether that means these were declassified or whether this is the office in charge of declassification.

Q And following that are the initial OADR?

A Yes.

Q Do you know what that refers to?

A No.

Q Turning in this exhibit, Mr. Miller, to the document that has your identification No. 2433 and 2434, which is a memorandum for Mr. Robert C. McFarlane of the White House -- and this is a document that has been discussed to some extent previously in this deposition -- that is a document that you prepared, is it not?

A It is a document which I contributed to in a large percentage, and I believe by telephone, if I recall correctly.

Q You mean you dictated it over the telephone?

A Yes, I think that was the way it was done.

Q Who did you dictate it to?

A I don't remember. I think it was somebody over at the State Department.

Q In Jonathan Miller's office?

A I believe so.

Q And the second page, headed "Contributions," did you also dictate that information?

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A Yes.

Q And the handwriting on that page, is that your handwriting?

A Yes.

Q Do you know how you happened to receive a copy of this document back for your files if you dictated it to Mr. Miller's office, Mr. Jonathan Miller's office?

A Well, I think that you see is a draft copy which came to me, and I subsequently made recommended changes, and I don't think I have the final copy in my file.

Q What did you do with the copy after you made the recommended changes? Did you transmit the revised copy to anyone?

A I'm sure I did, but again I don't remember who specifically it was. But I think it was whoever I dictated the original document to.

Q So you believe you sent it to Jonathan Miller?

A Again my recollection isn't complete on this. But I think that's the office that was handling this. And I can't remember the individual who I was dealing with over the telephone.

Q Would you have sent this to Oliver North?

A That's possible.

Q Now, there's a reference in the memorandum to a meeting on Tuesday, June 25, or Thursday [illegible]

Is that June of 1985?

A That is correct.

Q And would this memorandum have been prepared by you a few weeks prior to that, or in early June or in May of 1985?

A Yes.

Q Why did you believe it was appropriate for the Department of State to request a Presidential meeting with Mrs. Newington? Because she had made substantial contributions to programs designed to support the policies of Ronald Reagan?

A Well, her contributions went beyond just supporting policy. It included a large number of political and humanitarian gifts as well. Any one of those I feel would have qualified her for the appointment. In fact, we found it sort of extraordinary that she hadn't been to meet the President prior to this.

If you go into the Roosevelt Room, the paintings that hang on the wall, and if you go into the family quarters, the paintings that hang on the wall, millions of dollars worth of paintings were given years ago by she and her husband. So she has been a long-time supporter of the United States Government, and has given both to political and humanitarian activities. And so, for those reasons, she deserved an opportunity to meet the President.

Q But, in this memorandum of the basis for the

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request by the Department of State for a Presidential meeting with Mrs. Newington is described to be the contributions that are attached to the memorandum, is it not?

A That's correct.

Q And my question to you is why did you believe that it was appropriate for the Department of State to recommend a Presidential meeting on the basis of these contributions?

A Well, it is, as I understand it, fairly standard practice for agencies and departments, the senior staff in those agencies and departments to recommend people to meet both the President and the Vice President and other individuals when they deserve some recognition as citizens. And that's exactly what was happening here.

Q Turning to the page with your Control No. 3572, which is a calendar for August 26, 1985, do you recognize that calendar?

A Yes.

Q Are the notations on that calendar in your handwriting?

A Yes.

Q Now, there's a reference on August 26th to a meeting with Roy Godson at 10:30.

Do you see that reference?

A Yes.

Q Do you recall what that meeting involved?

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A Yes. I testified earlier that this meeting was to discuss a grant from, at that point, unknown to me, a contributor who turned out to be the Heritage Foundation.

Q Was that a meeting that you had at Mr. Godson's office?

A That's correct.

Q What does 1730 RI refer to?

A That's Rhode Island Avenue.

Q Is that the address of his office?

A Yes.

Q And is 601 the office number?

A Yes.

Q Was this the first time you had met Mr. Godson?

A I believe so, but I'm not certain of it. I had two meetings with him in his office, and I don't know whether the second was recorded in my notebook or not.

Q But other than the two meetings with respect to this matter, you had not previously meet Mr. Godson?

A No.

Q Who put you in touch with Mr. Godson?

A Oliver North.

Q Did he tell you that Mr. Godson would be calling you?

A I honestly don't remember how it was left, but we were to have a phone conversation and we did so I don't know

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who called who.

Q Turning to the next page, which is 3120 is your control number, and it's a memo to you and Frank Gomez, dated September 30, 1985, from Dan Conrad, there's some handwriting on that sheet.

Whose handwriting is that?

A Mine.

Q There are various requirements for the month of October described in that memorandum, including an RR letter to Barbara Newington and an RR meeting with Barbara Newington, and an RR meeting with Bunker Hunt, Ellen Garwood, Fred Sacher, and the Warms. After that, you have written the word "green."

What does the word "green" refer to there?

A Colonel North.

Q And does that mean that Colonel North was to arrange those items?

A No. It meant that I wanted to -- it was a mental note to myself to talk to Colonel North about it.

Q Did you?

A Without a subsequent checkmark and hashmark through it on this page, I don't see any indication I did. If there was a phone conversation with him or a meeting in which it was discussed, it would appear some place else, and it would probably be one of those marks through it.

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I think this is just my reacting to Dan Conrad as he was explaining the things on my list, and my thinking about who I would go to see about it.

Q So when they asked for a letter or a meeting with President Reagan at this point in September of 1985, it occurred to you that Colonel North was the person you would go to to arrange such a letter or meeting?

A Well, that, and I would never undertake to have a meeting like that without letting Colonel North know that we were doing it. It would have been folly for us to do that.

Q Well, was the notation here merely that you were going to notify him that you were going to try to do this, or was it a notation to indicate that you were going to attempt to arrange these events through him?

A I think those are only notations that I intended to discuss it with him. I don't think it indicates that I was going to ask his assistance or just inform him, but that I was intending to discuss it with him.

Q At this point in time in September of 1985, whom would you contact to try to arrange a meeting with President Reagan for Barbara Newington?

A I might have contacted the Public Liaison Office or the Political Office?

Q Who?

A John Roberts, Lynus Cochelus. In fact, some of the

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briefings that we set up were set up through the Public Liaison Office or through the Political Affairs Office.

Q Are these briefings with President Reagan?

A The initial briefing with President Reagan, the recommendations began in the Public Liaison Office.

Q When you refer to the initial briefing with President Reagan, to what are you referring?

A January 27th, I think it was, 1986.

Q 'Could that have been January 30, 1986?

A 30, you're right, 30.

Q Now, is it not true that David Fischer had a role in arranging that briefing?

A He did. But again I think the original formal request started also in Public Liaison.

Q But is it your understanding that David Fischer was the person who was responsible for arranging that briefing?

A He had principal responsibility for it.

Q Now, before David Fischer was involved with your organization, who had the principal responsibility for attempting to arrange meetings with President Reagan?

A There was a shared responsibility between Mr. Gomez and myself. I'm sorry, I reacted wrong to your question, because I didn't hear you drop President Reagan at the end of your question.

If your question is for meetings, it was a shared responsibility. The only other meeting we attempted to get for the President was the Barbara Newington meeting, and I had responsibility for that memorandum.

Q And with whom did you arrange that meeting? You mentioned Jonathan Miller.

A Again, I've forgotten who exactly we gave the original text to. But I believe the memorandum came out of the State Department and went to Robert McFarlane, and then was signed off by people within the National Security Council.

Q Did you seek the assistance of Colonel North in arranging that meeting with Barbara Newington?

A He was aware of it, yes.

Q But did you also seek his assistance and support with respect to that meeting?

A Yes.

Q Now, turning to the next page in this composite exhibit, Mr. Miller, which has your Co[redacted]462[redacted]se writin[redacted]printing appears on that page?

A Mine.

Q Did you draft this letter?

A Yes, I did.

Q And then if you will look at the subsequent pages, 2887 through 2889, those are letters dated December 17, 1985, from Oliver North to Frank Darlington, Melvin Salwasser and Bill Bush.

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Now, those letters appear to be the text that you drafted at 4462, is that correct?

A That's correct.

Q Did you send that text to Colonel North for him to send those three letters?

A I sent him that as a recommended text and these names and addresses. And I believe it's not completely identical. I think he changed it to suit his needs and signed them and sent them to the people.

Q What were the changes that Colonel North made?

A I think he left out the word "Nicaragua" after the word "democracy" in what was my final sentence. And he put "may God bless" in the body of the letter and used "Sincerely" as the salutation.

Q He basically adopted the text you proposed, did he not?

A Yes.

Q And then he sent you copies of the letters?

A Yes. Actually Fawn Hall sent them to me.

Q Now turning, Mr. Miller, to the document with your Control No. beginning 2665 through 2687, which was a series of letters from Colonel North, dated January 24, 1986.

Did you draft the text of those letters?

A Basically, yes.

Q At page 2688 through 2690 there's an address list

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and an indication of the proper salutation for the letter.

Were those pages prepared by your office?

A I'm not sure whether the salutation and address pages were prepared by our office, but they were certainly supplied to Colonel North either through us or directly by NEPL. I've forgotten which.

Q They were prepared either by you or by Mr. Channel's office?

A Correct.

Q And you drafted the letter?

A Yes.

Q What was the procedure for arranging for Colonel North to send this letter?

A I either met with him or had a conversation with him about the need to send a thank you to the people involved in the NEPL efforts. And he agreed, if I would give him a draft, that he would send them thank you letters, which he did.

Q And then he sent you copies?

A Yes.

Q What was the need to send letters to these individuals, as you understood?

A They were people who had contributed to the public education program of ~~Financial~~ National Endowment for Preservation of Liberty, and were being recognized for that contribution.

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Q Was another purpose of this letter to prepare them for a further solicitation by Mr. Channell's organization?

A That wasn't my purpose when I asked for them. They were simply recognition of contributions to the public education effort.

Q What did you mean by the phrase, and I'm assuming that you wrote this phrase, but if you did not, correct me, in the last paragraph, or in the next to the last paragraph of the letter which states, "In the weeks ahead, we will commence a renewed effort to make our assistance to the Democratic Resistance Forces even more effective. Once again, your support will be essential."

Did you draft that phrase or those sentences?

A I don't recall whether that was specifically in my draft that I sent to Colonel North. But, in general~~ly~~, I think it refers to the coming political debate associated with assistance to the Freedom Fighters.

Q Were these individuals that you knew were going to be invited to the briefing at the White House on January 30, 1986?

A It's a different year. I'm sorry, you're right, you're absolutely right. I'm sorry.

No, I don't think that was the intended purpose of it.

Q Did you expect that these individuals would be

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solicited again by Mr. Channell for the Central American Freedom Program which was getting underway in January of 1986?

A I'm not being flippant. Don't misunderstand me. Of course. I don't know one fund raiser that doesn't go back and solicit contributors time and time again, depending on whether they provide money for a program prior to it, and that's standard operating procedure for political organizations and fund raisers.

Q Turning back, Mr. Miller, to the two pages in advance of the first of the January 24, 1986, letters, which are pages 15026 and 15027, do you recognize those pages?

A Yes.

Q Where did you get those pages?

A From Citizens for America, I believe.

Q Do you recall when you got them?

A Yes. We used to go and attend the general strategy sessions held either by Colonel Sam Dickens over at the American Security Council, or by Dan Kuykendall. And in each of those meetings, the Citizens for America people would hand out an updated list of their Congressional targets.

Q What representative of Citizens for America would hand out this list, or a list such as this?

A Peter Flaherty ~~Flaerity~~ I think was the one I remember. There may have been others.

Q Was Citizens for America the group that was headed

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by Lew Lehrman?

A Yes. I would mention also that there was my handwriting on this list, and what that is is a reflection of a discussion with Dan Kuykendall where, in some cases, he didn't agree with their characterization of people as targets or. And sometimes I would take their list and compare it with what knowledge Dan Kuykendall had, and I think that's the note you see on it.

Q At pages 53034 through 53036, there are documents relating to the Heritage Foundation grant which we've discussed today, and which Mr. Kaplan has questioned you about at a previous session.

This list of grants, was it not, that was the subject of your meetings with Mr. Godson?

A Yes.

Q Did Mr. Godson tell you that he had been asked by Colonel North to raise funds for [redacted]

A No, I don't think specifically I've been told that.

Q What did he tell you?

A He told me that he had a contributor who wanted to give money to the Democratic Resistance, and that they did not want to give money to Mr. Channell specifically. And I came away from my meetings with him with the sense that this contributor was looking to provide money to political

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entities and the non-combative segments of the opposition. Non-combatant, I should say, segments.

Q Colonel North asked you to meet with Mr. Godson, did he not?

A Yes.

Q And did you understand your role with respect to the funds being raised by Mr. Godson was to provide vehicle for receipt of the funds?

A That's correct.

Q Did you discuss with Mr. Godson two alternative vehicles, one being the Cayman Islands bank account, and the second being the Institute for North-South Issues?

A I remember discussing the Institute because that's what I later recommended to him. I remember discussing Mr. Channell, and I may have told him that somebody could give a contribution directly.

Q To the Cayman Islands account?

A I don't recall where I told him, but I may have said that somebody could have given a contribution directly.

Q Now, is it correct that, at a later point, Mr. Godson had a discussion with you about using the Heritage Foundation as a vehicle for the contribution?

A I don't recall a subsequent conversation, although I may have called him and somewhat surprised at the correspondence I rece[illegible] from th[illegible] Foundation asking for a

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grant. I don't think I left his office knowing that it was the Heritage Foundation.

Q Is it your recollection that the first knowledge you had of the involvement of the Heritage Foundation was the receipt of a letter from the Heritage Foundation?

A That's my recollection, yes.

Q After receiving that letter, did you then have a conversation with Mr. Godson?

A As I said a moment ago, I don't remember a specific conversation. But I have a sketchy recollection of calling to express some surprise at the letter from the Heritage Foundation.

Q Did you have a discussion of this letter from the Heritage Foundation with Colonel North?

A I don't recall whether I did or not.

Q Did you ever discuss in any way with Colonel North the use of the Heritage Foundation for transferring contributions to entities associated with Nicaragua?

A I don't recall having such a conversation with him.

Q Did you have a conversation with Dr. Edwin Feulmer, F-e-u-l-m-e-r, about a grant from the Heritage Foundation?

A If I did, I don't recall it. I don't recall having a conversation with him about it.

Q On your file memorandum, dated December 1, 1986, which is your Document 33, that is a memorandum which you prepared, is it not?

A Yes.

Q In the first paragraph, you state that the grant was provided to INSI at the request of the National Strategy Information Center.

How did you learn that?

A That's Mr. Godson's organization.

Q Yes. But who informed you that the Heritage Foundation grant had been provided to INSI at the request of the National Strategy Information Center?

MR. PRECUP: He just answered that, Mr. Fryman.

THE WITNESS: Yes. I don't know how else to answer it. Mr. Godson was the head of the National Strategy Information Center. I went to see him about the grant, and subsequent correspondence came from the Heritage Foundation.

BY MR. FRYMAN:

Q Well, in your initial conversation with Mr. Godson, there is no mention of the Heritage Foundation, is that correct?

A Right.

Q Then you got a letter from the Heritage Foundation --

A Right.

Q -- talking about a grant.

Now, I'm not clear from your testimony that after

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the receipt of the letter from the Heritage Foundation, you had any further communication with Mr. Godson.

A Well, I'm not clear in my recollection about whether I had any subsequent conversation with Mr. Godson about it. But I seem to recall calling Mr. Godson and expressing some surprise about the Heritage Foundation letter.

So I think that statement that you just read, the grant was provided to INSI at the request of another ~~501c3~~ 501-c organization, is in keeping with what I just told you.

Q So it's your belief that -- your basis for that statement as a conversation with Mr. Godson after you got the letter from the Heritage Foundation, is that correct?

A Yes.

Q That's what I was trying to clarify.

Now, in the third paragraph, you state that INSI retained a 20 percent administration fee for its distribution of this grant. And you go on, all other expenditures, and the memorandum reads where, but I think that's a typographical error, I think it should read were --

A Correct.

Q -- made through Latin American nonprofit organizations.

And the paragraph earlier refers to an investigation and analysis of information available to international news organizations.

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Q What other Latin American nonprofit organizations were making expenditures in connection with this grant?

A Well, anybody involved in the Nicaraguan Resistance is a nonprofit organization. And anyone involved in [redacted] or the Democratic Resistance political entities is a nonprofit organization. So I would have viewed any of those entities as nonprofit.

Q Did you understand there was an investigation and analysis of information available to international news organizations that was being undertaken as a result of this grant?

A I would say that that is a simplification of what I thought the money was to be used for, and that as for the generation of news reports and information on political activities by those organizations.

Q What do you mean by the generation of news reports by those organizations?

A Well, any political entity or human rights organization or entity associated with a political movement that needs to communicate with the public and the world at large. And they do that through the media.

Q Mr. Miller, in this composite exhibit, a group of telephone messages begins at the page with your Document Control No. 3133.

On that page there is a note to you from Fawn --

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A 3131.

Q 3131, I'm sorry.

-- dated 9/17, which states give her a call re a Texas based group called Freedom's Friends. She wants you to do a little background check on them for Ollie.

Did you understand this message came from Fawn Hall?

A Yes.

Q Do you recall this message?

A Yes.

Q What did you understand you were being asked to do here?

A To find out whether this was a legitimate organization.

Q How would you go about doing that?

A Calling friends and associates. I don't think I did anything with this one though.

Q Did you consider this an unusual request by Fawn Hall on behalf of Oliver North?

A No.

Q Did you receive similar requests on other occasions?

A Yes.

Q Turning to the next page, 3149, there is a message to you from Fawn, dated 4/9, which says has package which must be picked up today, and it continues regarding AAA meeting tomorrow, you should work through Bob Kagen. ~~Reagen~~.

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Do you recall receiving that message?

A Not specifically, but it's got my hashmark through it and that's what I do with my phone messages when I read them. So that means I looked at it or acted on it.

Q Do you believe the date of this message was April 9, 1986?

A I'm really not sure.

Q Who was Bob Kagen?

A Oh, it would have to be 1986, because Kagen was in the State Department in '86 but not in '85, so it would have to be 1986.

Q Well, what was his position in the State Department in 1986

A He was originally a deputy to Elliott Abrams, actually an assistant to Elliott Abrams, and then became the Coordinator of the Office of Public Diplomacy.

Q Now, what does the AAA meeting refer to?

A Adolfo Calero, Arturo Cruz and Alfonso Robelo, and it probably had to do with meeting the President. I can't recall whether there was a meeting on that date or not, or on or about that date.

Q And is that an example of an activity that you would work with Mr. Kagen on?

A No, not generally. This again doesn't bring to mind any specific activity. And the only other time I met

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with Mr. ~~Reagan~~ Kagan on Resistance leaders was to discuss some politics associated with the leadership and a subsequent meeting I have already recounted to you in previous testimony for the establishment of an Uno Office.

Q Do you recall what the package referred to in this message is?

A No, I don't remember.

Q Turning to the next page, which is 3161, there is a message again from Fawn, which states that Fawn received a message that a Huck Walter in Staunton at [redacted] is looking for a contra to "pressure his district." Fawn doesn't know if Staunton is Virginia or not.

Do you recall that message?

A Yes, I think so.

Q What did you understand pressure his district referred to?

A As I recall, this gentleman wanted a contra to come in and condemn his opponent. And we turned him down.

Q Did you understand Mr. Walter was a candidate for Congress?

A I've forgotten whether he was the candidate or whether he was working for a candidate. But he was quite angry with me.

Q Why did you turn him down?

A Because it was inappropriate.

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Q Why?

A It was inappropriate to have contra leaders interjecting themselves into elections. It's not proper behavior. None of them would have done it either.

Q Turning to the next page, there is an indication of a telephone message on February 28th from Martin Artiano, saying that he called from Jamaica to see how the meeting with Barbara Newington went yesterday. Will call back later.

Do you know why Mr. Artiano was calling you from Jamaica to see how the Newington meeting went?

A No. I assume it was just general interest in Mrs. Newington's meeting.

Q Was that a meeting with President Reagan?

A I believe it was. She had two meetings with the President.

Q You're not aware of any additional information as to the reason for Mr. Artiano's call?

A I think it was just professional curiosity. He was just keeping together with the effort.

Q On the next page, Mr. Miller, there's a phone message from Roy Godson on December 5, which states needs information urgently. He's leaving for Europe tomorrow.

Do you know what that refers to?

A It seems to me that this was in reference to the Barness check. I think that's correct.

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Q What was the information that he needed urgently?

A I think he needed to know who to have Mr. Barness make it out to.

Q And did you convey that information to Mr. Godson?

A I don't recall whether I did or not. It may have been that the check was simply left blank.

Q Is it your recollection that the information that he needed urgently was unrelated to his European trip?

A I don't remember it being related to his European trip. But I don't remember the specifics of this anyway. So I can't specifically remember.

Q Do you recall ever providing any information to Mr. Godson that was related to a trip he was making to Europe or for him to use during an European trip?

A I don't recall. If you give me more specifics, I'll try to, but I don't recall providing him information for a trip to Europe.

Q Are you aware of any fund raising efforts ever undertaken by Mr. Godson to raise money in Europe for [redacted] related to Nicaragua?

A No.

Q Turning to page 3250, there's a phone message from Ibrahim, I-b-r-a-h-i-m, which states he is on his way to Frankfurt, everything is all right, will take care of telefax.

Do you recall receiving t[illegible]

A Vaguely.

Q Who is Ibrahim?

A al-Massoudi.

Q Are you sure of that?

A Positive.

Q What was the trip to Frankfurt that's referred to there?

A He was dealing with a commodities broker in Frankfurt on his oil transaction, and I believe the telefax refers to some information that I had requested he send me to try and verify this whole transaction.

Q Turning to the next page, 3255, there is a reference to a telephone message from Mr. ~~K~~Copp of Switzerland.

Do you recall receiving that message?

A Yes, and that's the one I testified to earlier that when he called me back, I missed the phone call, and subsequently got it, got another call.

Q At that time, did you know who Mr. ~~K~~Copp was?

A No.

Q Did you later learn?

A Yes.

Q How did you learn?

A I think it was in a Washington Post article in December of this past year.

Q Until then you did not know the identity of Mr.

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~~K~~Copp?

A No. In fact, you know it was the Tower Commission report was the first time I saw it.

Q And, based on that, whom do you believe Mr. ~~K~~Copp was?

A General ~~Admiral~~ Secord.

Q Mr. Miller, directing your attention to the first page of handwritten notes in Composite Exhibit 30, which has your Control No. 1723, there's an item there that reads present him with a check, arriving late tonight, John Ramsey, $25,000.

Is that in your handwriting?

A Yes.

Q Do you recall when you made those notes?

A Not the specific date, but sometime early spring of 1985.

Q What do those notes refer to?

A I think it's a conversation with Spitz Channell, and John Ramsey was making a $25,000 contribution.

Q And when you say present him with a check, what does the "him" refer to?

A I can't remember which him it is, whether it's Channell's organization or Mr. Calero.

Q And it's Ramsey who's arriving late tonight?

A Yes.

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Q And he's going to present the contribution of $25,000 tonight?

A I believe that's correct.

Q Turning to page 1735, are those notes in your handwriting?

A Yes.

Q Do you recall when you made those notes?

A I was -- I can recall where I made them. I believe it was May or June at al-Massoudi's residence in Fresno, California.

Q May or June of 1985?

A Correct. [redacted]

Q Are these notes of a conversation with al-Massoudi?

A These are all things that al-Massoudi had told me and that I had also put a brainstorm on.

Q Now, on No. 8 appears to be a name. What is that na[redacted]

A Gordon Brown.

Q Who is that?

A I don't know. Somebody al-Massoudi said he knew.

Q No. 9 appears to be the name William Sullivan. Do you know who that refers to?

A This was supposed to be the Ambassador -- he claimed that that was the U.S. Ambassador to Iran during the revolution, and that he had some relationship with him.

Q There's also a reference to Michael Ledeen in there. Do you know why there's a reference to Michael Ledeen?

A That was my idea, to call Michael and try and see what he knew about it.

Q How did you know Michael Ledeen?

A I met Michael as a Gulf and Caribbean scholar in 1984, I believe it was.

Q Does this page of notes refer to efforts to release the hostages?

A Yes.

Q Why did it occur to you to contact Michael Ledeen on that subject?

A Because what I was trying to do was get some Middle Eastern history at the time of the Islamic revolution in Iran. And I had heard Michael speak about it before, and he seemed to be knowledgeable.

Q Turning to the next page, which is page 1772, there appears to be a reference to the situation room and Room 208.

Do you see those references at the bottom?

A Yes.

Q Is that in your handwriting?

A Yes.

Q What do they refer to?

A Briefings.

Q About what?

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A Central America to be given by Colonel North.

Q And was one briefing to be in the situation room and another in Room 208?

A No. I think what happened here was that Mr. Channell wanted it in the situation room and it was held in Room 208. And I think it's the same date, the 18th and the 18th.

Q And this is a group briefing for Mr. Channell's contributors?

A That's correct.

Q Do you recall the date of this briefing?

A Not specifically. I thought there was more than one in Room 208.

Q Now, there's a series of notes above those references that are very vague, but there appears to be the word --

MR. PRECUP: Is that faint?

MR. FRYMAN: Very faint, yes.

BY MR. FRYMAN:

Q There appears to be the word "Facel." Do you see that?

A Yes, but I can't tell what the rest of it says. Oh, I know what this says. Mr. Channell wanted to see if he could see Chairman Fascell and his Board of Directors.

MR. FRYMAN: Off the record.

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(Discussion off the record.)

BY MR. FRYMAN:

Q Can you tell what the rest of the notes are there?

A I just remembered that, because I have recently seen the original piece of paper in another setting. But I can't remember what the -- I think I told him that he was too controversial and basically that it wasn't probably a good idea to ask.

Anyway, I didn't see no checks or hashmarks so I didn't take any action.

Q Turning to the next page, which is 1780, is that in your handwriting?

A Yes.

Q There's a note, Barbara Newington appointment before July 14th, $1 million.

What is the basis for that note?

A I think this entire page is a reflection of still outstanding assignments from Mr. Channell. And that was something that he wanted.

Q Well, what do you understand the appointment with Barbara Newington to involve?

Was this again a reference to a meeting with President Reagan?

A I don't recall whether it was President Reagan or Colonel North.

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Q What do you understand the reference to $1 million on that sheet to be?

A I don't have a specific recollection of what it's tied to. Whether it was something she already gave or whether it was something she was going to give. I don't recall.

Q There's a further reference to a phone tapping firm in Connecticut.

Do you know what that refers to?

A Yes. Mrs. Newington was very uncomfortable having the Soviets in her neighborhood, and she attributed the death of Larry McDonald to the Soviet Union in a purposeful way. And she didn't feel very secure, and she asked Mr. Channell to find a firm that could check her phones for taps. And Mr. Channell asked us to do it.

Q What do you mean that she was uncomfortable with the Soviets in her neighborhood?

Was it your understanding that there was a Soviet residence near the residence of Mrs. Newington?

A There's something right there in her neighborhood. I'm not quite sure what it is.

Q Did you arrange for some measures to be taken to assure that Mrs. Newington's phone was not being tapped?

A Yes.

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Q Turning to page 3196, are those notes in your handwriting?

A Yes.

Q Now, there's a reference on that page to a "spark" to Houston.

Does "spark" refer to Mr. Calero?

A Yes.

Q There's also a reference to Copa, C-o-p-a.

Do you know what that refers to?

A I believe that's an airline.

Q Do you know the name of the airline?

A No.

Q And there's a reference to [redacted]

Do you know what that is?

A I believe that's the hotel he was staying in.

Q Where was that?

A I don't remember specifically. I looks like a [redacted] number with six digits, but I'm not sure of that.

Q Now, also on that page, there's a reference to Urick, U-r-i-c-k and what appears to be Yussif, Y-u-s-s-i-f.

Do you see those references?

A Yes.

Q Do you know what those references referred to?

A They are notes from a conversation with al-Massoudi, but beyond that I don't have any specific recollections.

Q Do they have any relationship to your involvement on issues relating to Nicaragua?

A I don't recall. I don't remember the name Hans Urick, and I don't have a specific recollection of that, no.

Q Would you read that section of the notes for the record, beginning is it one Urick, U-r-i-c-k?

A That's correct.

Q And then would you just continue?

A It says, Hans Urick-Danish. No. 2 is available. Yusiff offered by. No. 3 is 100,000 tons gas-oil.

Q Is it your recollection that those three items are related, or do you know if they're related?

A I don't have a specific recollection about the first item. The other two I'm sure are al-Massoudi items. But what they mean I don't have any specific recollections.

~~(Pause)~~

Q Turning to the next page, and your identification number is not clear on that page, but the page begins $272,000 Newington.

Is that page in your handwriting?

A Yes.

Q Do you recall making these notes?

A Yes.

Q What was the circumstances under which you made these notes?

A It was a telephone conversation with Mr. Channell. It may have been a meeting, but anyway it was a conversation with Mr. Channell.

Q Do you recall approximately when this conversation occurred?

A No. Sometime in '86.

Q Now, at the top, it appears to read $272,000 Newington, and then you're subtracting $40,000 for ACT ads, leaving a balance of $232,000 with a note to send check immediately, and then the word Friday.

Do you know what that refers to?

A I think I'm writing down what Mr. Channell was telling me. He told me he received a check for $272,000 from Mrs. Newington, $40,000 of it was for ads for the campaign that the American Conservative Trust was sponsoring, and that they were sending a check for $232,000.

Q And was the $232,000 funds that were to be transferred to the account from which disbursements would be made at the direction of Colonel North?

A It was funds to be used for -- yes, yes.

Q Now, the next line states "Proof of battalion-Larry McDonald now and January 1 through Rich within one week."

Do you know what that refers to?

MR. PRECUP: There are three lines, Mr. Fryman.

I'm not sure that each -- you can check with the witness whether they're related. Nobody said they are.

BY MR. FRYMAN:

Q Fine. I mean would you just look at the next three lines, Mr. Miller, and tell me what you understand they refer to?

A Proof of battalion. There was a lot of talk about the Larry McDonald Brigade. Adolfo Calero committed to forming one. And Mr. Channell was looking for proof of the battalion. And there had been news reports about it, but no hard proof that they were functioning.

The now and January 1, I don't have a specific recollection. Or through Rich within one week, I don't have a specific recollection of either.

Q Did you understand the $232,000 was to be used for any particular purpose?

A I don't specifically remember.

Q What are the notes beneath the line that says through Rich within one week?

A The rest of it is a -- part of the rest of this is a critique by Mr. Channell of Colonel North's briefing.

Q And would you just read your notes for the record?

A We felt it was too long and not current, and that it needed to be converted, it needed to lead off with an explanation about the southern front --

Q Let me just interrupt you.

When you say it needed to be converted, what did you mean by that?

A Converted into what Mr. Channell thought it should be.

Q And the following notes are a description of what he thought should be in the briefing?

A Correct.

Q Would you just continue with reading or your paraphrase of the substance of the notes on that page?

A Southern front referred to the recent establishment of the southern front. The parties involved was an update on all the different entities who had joined the Resistance. He felt when he said no little girls, there were too many children, and what was needed was a military update, and that military update should be front by front, including discussions of the sub-bases, plenty of visual effects, and a map showing the place for the FDN. And he made a point for me to say to Colonel North that there were tigers in there --

Q What does that mean, tigers in there?

A That when Colonel North briefed his contributors, that these people were tigers and that they much preferred blood and guts, forget the discussion of humanitarian assistance, and that these were arch-conservatives.

He used Ross Haley, who wrote ~~that~~ Texans look at

Lyndon as an example.

Q Who was Ross Haley?

A He was a Texan that wrote "Texans Look at Lyndon."

Q Was he one of the persons who attended these briefings?

A Yes. And he recounted that Bunker Hunt had said to him that he didn't trust Adolfo Calero, and that what he was doing was coming out to sniff around or smell around, whatever that meant.

Q And does that mean that Mr. Hunt had said that Mr. Calero was coming up to smell around?

A No, no. Mr. Channell was saying that Bunker Hunt said he did not trust Adolfo Calero, and that he was coming up to Washington to smell around.

Q He being Mr. Hunt was coming up to smell around?

A Correct.

The rest of it is general conversation notes of Mr. Channell, that he represented 17 millionaires, and that he wanted Mr. McFarlane for a drink at 8 p.m.

Q When you say he represented 17 millionaires, there's a reference to August pledges.

What does that refer to?

A I think this is in reference to one of the July briefings. And Mr. McFarlane, he wanted Mr. McFarlane for a drink, and that he hoped that I would convey that Mr.

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McFarlane had some enemies and he needed to make some friends. And he hoped to put a cap on Bert Horowitz anti-Bud -- McFarlane rather.

Q Who is Bert Horowitz?

A He's a fund raiser who was supposed -- well, that Mr. Channell said was making disparaging remarks about Bud McFarlane.

Q If you would turn to the next page, which appears to have your Control No. 4307, is that in your handwriting?

A Yes.

Q Do you recall making those notes?

A Yes.

Q What were the circumstances where you made those notes?

A It was a phone conversation with Bosco Matamoros.

Q And do you recall the approximate time?

A No.

Q What does the first item in those notes refer to?

A That they had captured a copy of a Cuban chemical warfare manual, them being FDN.

Q Do you know why he was reporting this to you?

A He often reported things like that to me in phone conversations.

Q What does the second item refer to?

A That Hind Helicopters were operating in Nicaragua.

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Q What does the third item refer to?

A That it was a unit of Sandinista trained combatants who were killing people and trying to draw the blame to the Resistance fighters.

Q Now, the third item has the words weapons, ammo, rifles, boats.

A Boots.

Q Boots. That you believe refers to a unit of Sandinista trained combatants?

A I'm sure of it. The M-16 machine guns, you'll remember the Newsweek article, the combatants in the Newsweek pictorial of the execution, supposed execution by FDN sources, were carrying M-16s. And they had fresh boots, and the FDN doesn't carry M-16s, never have, never will. And that's a unit of Sandinista soldiers who dress up as contras and go out and kill people.

Q What does the last item refer to, No. 4?

A I think it's just a repeat of No. 1. It's a captured manual.

Q Are pages 4244 through 4246 notes by you?

A Yes.

Q On page 4245, No. 2-A reads money in lake - make AC understand.

What does that refer to?

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A I don't want to discuss it alone. The entire next

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three items are referenced to the same thing, and they're all mental notes that we had been giving an awful lot of money to lake resources, and Adolfo Calero~~s~~ seemed reluctant to cooperate with our effort, and was inconsistent to us. And I was trying to raise it to Colonel North so that in an attempt to make Mr. Calero understand that we were the people giving the money to lake resources.

Q Are these notes that you made for a meeting with Colonel North?

A In preparation for either a meeting or a telephone conversation.

Q And this is an outline of points you were to raise with him?

A That I wanted to raise to him, yes. But I don't see any slash marks or hashes so I don't know whether or not I discussed that with him.

Q Do you recall approximately when you made these notes?

A Sometime in October I guess, September.

Q October of --

A '85.

Q On page 4246, No. 7-A states, "Bill Casey to weigh in after a reference to Bunker, Garwood, Warms and Sacher with RR."

What does that refer to?

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A - Mr. Channell wanted a meeting with the President -- for those four people together. And he wanted Bill Casey to weigh in and Linda Chavez to weigh in.

I remember I did that in one of my notes, it meant that it was something that I dismissed or didn't take action on.

Q At the bottom of that page, there's a reference to telephone logs, Prince Abdulah and Caleed[illegible].

What does that refer to?

A I provided Colonel North with my telephone logs from al-Massoudi's phone calls ~~reporting to be made~~ reportedly to members of a Saudi Royal Family, [redacted] I have no idea whether they did it or not.

Q The next page, 4316, does that page contain notes by you?

A Yes.

Q Would you explain the notes at the top portion of the page, beginning with Barnes/Hamilton?

A This was a proposal by Congressman Barnes and Chairman Hamilton that had the backing of Congressman Fish and Jones, I guess, to take the $14 million that the President requested and, instead, give $5 million to the International

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Red Cross and 19 million to the Contradora nations and nothing to the Resistance.

Q And also on that page there's the word "Ollie" and four items.

Would you explain what those items refer to?

A Those were things I wanted to talk to Colonel North about. Kurt Windsor, I had heard, was associated with the Crocker family fortune, although I don't know how. I didn't understand what an L-1 was, and I thought maybe he would know.

Q Who had spoken to you about L-1s?

A al-Massoudi.

I'm not sure, but I think Robelo's name was just a reaction to President Reagan's compromise. And I don't even know whether the nightline thing is part of it or not.

Q On page 4370, are they your notes?

A Yes.

Q What does No. 9 refer to?

A I think that had to do with a young lady that was stranded in Managua, Nicaragua. And I was trying to enlist Colone[redacted]n getting her out safely. She had ~~been~~ an extensive interview with Wesley Smith, and the Sandinista security forces had been around to visit her family to try and locate her afterwards. And we were trying to get her out of the country safely.

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Q Is the first word in that line "paper"?

A Uh-huh.

Q And what is the name in parentheses?

A [redacted] c

Q Who does [redacted] c refer to?

A I think that's my -- the reasons it's in parentheses is I used [redacted] c meaning the CIA, whoever at the CIA would handle that.

Q Why did you use the word [redacted] c?

A Because I knew [redacted] c was the CIA agent responsible for that area.

Q I don't understand how the reference to the paper to someone at the CIA by Fawn Hall as soon as possible relates to a girl in Managua.

A Well, there's only one group in Managua qualified to help get somebody out who the American Government has an interest in, and that's the Central Intelligence Agency.

Q And what is the paper?

A It's just a name, address, and a description of who the girl was.

Q And approximately when was this note?

A I don't remember specifically.

(Pause)

Q How did you know that [redacted] c was associated with the CIA?

A I had heard his name in telephone conversations.

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Q With whom?

A I shouldn't say telephone conversations. In conversations with Jonathan Miller predominantly.

Q And Jonathan Miller had identified him as a CIA employee?

A Correct.

C

Q Had you ever met [redacted]?

A Not that I'm aware of.

Q Mr. Miller, turning to the page with your Control No. 4611, beginning with that page, there are a series of pages with your consecutive document control numbers through your Control No. 4620.

Would you look at those pages?

A Yes.

Q Does each of those pages contain a reference to a bank account?

A Yes.

Q What was your source of this bank account information?

A Colonel North provided these to me.

Q That's with respect to each account on these pages?

A Yes. Except for your second one, which is a recopying of the first by me. 4612 was a recopying of 4611 done by me.

Q Let's just go through these.

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A I have to amend that. I'm sorry. 4614 also was provided to me by Bosco Matamoros or Alfonso Cayallas. I've forgotten which one.

Q Well, let's just go through these quickly one by one.

Was the account on page 4611 provided you by Colonel North?

A Yes, and so was that piece of paper.

Q And you know whose handwriting that is?

A No.

Q But the piece of paper was given to you by Colonel North?

A Yes.

Q And page 4612, there's a copying by you of the information on page 4611?

A Correct.

Q What was the source of the information on page 46413?

A That was given to me by Colonel North.

Q Was it given to you in form? Was there a typewritten sheet or cards which is reproduced on page 4613 given to you?

A I believe so.

Q And you say the information on page 4614 was given to you by someone other than Colonel North?

A Yes.

Q And that again was whom?

A I think it was Bosco Matamoros or Alfonso Cayallas, but I think it was Mr. Matamoros.

Q And he gave you that piece of paper?

A No. He gave me this information and I took it down as he read it to me.

Q So that's your handwriting?

A Yes.

Q And 4615, what was the source of that information?

A Colonel North gave that to me and gave me the piece of paper that it was written on.

Q And 4616?

A Colonel North dictated that information to me.

Q Whose handwriting is that?

A Mine.

Q At the bottom of that page, there's a reference to 75 to what appears to be N-e-i-l-l-e-s?

A Neille.

Q What does that refer to?

A Neille Livingston.

Q And is that a direction to you from Colonel North?

A Yes.

Q And what was the direction for you to give?

A To send $75,000 to Neille Livingston's organization.

Q What was that organization?

Was that the Institute for Terrorism and Subnational Conflict?

A Yes.

Q And what is the reference under that? It appears to be five to Father something.

A Five to Father LASSI. That was to Latin American Strategic Studies Institute run by Father Tom Dowling.

Q And what is the note after that?

A I don't know.

Q Turning to the [redacted] 4617, do you know whose handwriting appears on that page?

A I believe that is Colonel North's handwriting.

Q Did [redacted]er?

A Yes.

Q What does it say at the top?

A [redacted] Account.

Q What did you understand this account to be?

A It was [redacted] an account associated with [redacted] [redacted]

Q Turning to the next page, 4618, do you know where you obtained that page?

A It was given to me by Colonel North.

Q Whose handwriting is on that page?

A Well, I think there is a couple of people. I think the line under the ID number is somebody I don't know, U. S. is somebody I don't know. U. S. is somebody I don't know. O. S. is somebody I don't know. But the telex number was my assistant, who called to get their telex number so that I had the complete transfer information.

Q Is this--

A His handwriting is as bad as mine, so it is easily identified.

Q Is this one piece of paper that was given to you --

A Yes.

Q --by Colonel North?

A Yes.

Q Directing your attention to page 4619, from where did you receive that note?

A That is a handwritten note on one of my note cards by Adolfo Calero.

Q That is Mr. Calero's writing?

A Yes.

Q And did he give you, give that note to you?

A Yes. I asked him to write down the bank number and address, and he did.

Q Turning to page 4620, where did you receive that page from?

A Colonel North gave it to me, it was a strip of paper that that information was on.

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Q Directing your attention, Mr. Miller, to the following pages with your control numbers, 4623, 4624, and 4625, 4626 and 4627 and 4628, are those pages in your handwriting?

A Yes.

Q Do you recall when you made these notes?

A Sometime in 1986.

Q What was the purpose of making these notes?

A I was trying to give Colonel North a more accurate system to keep track of the money that was in the accounts.

Q Were these notes, were the notes on these pages all made at approximately the same time?

A No, one of them is a more comprehensive document than the other, and superseded the other documents.

Q Would you explain what you are referring to?

A Yes, 4623 and 4624 were an initial attempt, but as expenditures continued, multiple expenditures continued, for some of the accounts that Colonel North asked me to send money to, I tried to keep a running total, and also to reflect the commitments that he told me he had made, so that his commitments didn't get out in front of his available resources. And that is what 2645 and 2646 are. 4627 and 4628 were actually the crude beginning of that process, starting with the $1,250,000 grant from NEPL.

Q So, to summarize the origin, or the chronology of

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these documents, the first effort would be 4627 and 4628?

A Correct.

Q The next draft would be 4623 and 2624?

A Correct.

Q And the final effort reflected in these pages would be 4625 and 26?

A You called them drafts, I wouldn't say that; they were efforts to keep the records on the expenditures made by Colonel North, and the final document, 4625 and 4626, reflected the procedure that I chose to keep track of those commitments.

Q Did you keep and give copies of any of these documents to Colonel North?

A Yes, in fact, I think he received copies of all six, and I think I made them on his Xerox machine.

Q Did you prepare them in your office?

A Yes.

Q And you took them to his office, and reviewed them with him?

A Yes.

Q And left copies with him?

A Yes.

Q On three different occasions, I take it?

A I believe that is correct.

Q Now--

A I am not sure whether it was three different occasions, frankly. But, nonetheless, he received copies of this.

Q Let's focus on the last draft, which you have identified as Figures 4625 and 26. On the first line there is the notation, DB Grant, do you see that?

A Yes.

Q What does that refer to?

A That's my shorthand, I use doughboys for the NEPL principles.

Q What was the reason for using that phrase?

A Nothing in particular, just didn't want to put their names down on a piece of paper.

Q Did you discuss with Colonel North your identification of Mr. Channell and Mr. Conrad as doughboys?

A I probably used it in his presence, I don't know that I discussed it with him, before I decided to start using it.

Q Do you know if you informed Colonel North as to what the reference to DB Grant stood for?

A Oh, I am sure I did, because I would have been discussing this with him.

Q Now, just going down the list of commitments, there is a reference to Neal, is that ~~Neal~~ Nestle Livingstone?

A Correct.

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Q And there is a reference to LAS, what does that refer to?

A That is LASSI, Latin American Strategic Studies Institute.

Q And that is Father Thomas ~~Dole(?)~~ Dowling?

A Yes. And there is a reference to SPARK, what does that refer to?

A That's Adolfo Calero's Organization.

Q And there is a reference to [redacted] what does that refer to?

A That is [redacted]

Q Why did you use the phrase, [redacted] to refer to [redacted]?

A [redacted] and it just was a memory jog for maintenance on living, special benefit.

Q The next reference is WJ, what does that refer to?

A Woodie Jenkins.

Q And is Mr. Jenkins' organization Friends of The Americas?

A That's correct.

Q What is the next reference, the CONG?

A Those were the Latin American Congressmen that the Nicaraguan Business Council brought up.

Q The next reference is to Clutch, what is that?

A That's Bosco Matamoros.

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Q And is there a second reference to Clutch, with a date of July 24?

A Yes.

Q Now, under that there is a reference to new commitments, and there is the initials DK, what is that?

A That's Dan Kuykendall, and that is the Gulf and Caribbean Foundation.

Q Do you know the reason for that commitment?

A Yeah. That was their agreeing to pay the bills for prosthesis surgery in Miami, and that was the reimbursement to them for that.

Q And what is the reference under DK?

A UW.

Q And what is that?

A That is Uno Washington.

Q And does that refer to the Washington office of the United Nicaraguan Opposition?

A Yes.

Q And on the next page there are the initials TZ, what does that refer to?

A That was a final payment to Tony Zumbado for some death benefits [illegible] to some of his camera crew.

Q Now, also on that page, which is 4626, toward the bottom, by what appears to be October, there is a number 17 and some initials that appear to be AGRO, do you see that?

A Yes, that is the October 17 transfer to AGRO.

Q What is that?

A That's what was listed in the AGRO Bank for POLCA S. A., in the previous documents that you asked me about.

Q What did you understand POLCA S. A. was?

A I have no idea. I still don't know.

Q Mr. Miller, turning to page 4924--

MR. PRECUP: Mr. Fryman, excuse me, could we go off the record a moment?

MR. FRYMAN: Yes.

(Discussion off the record.)

MR. FRYMAN: Back on the record.

BY MR. FRYMAN:

Q Directing your attention to page 4924, is that your handwriting?

A Yes.

Q Do you recall making those notes?

A Barely.

Q Do you recall the circumstances under which you made those notes?

A Yeah, there was some need for, I think this is the very beginning of the heavy lifting information passed me by Colonel North.

Q What is heavy lifting?

A Large payloads transported by air to the resistance forces inside Nicaragua.

Q And does that note indicate that it was, that $875,000 was needed for that purpose?

A For 800 hours of heavy drops, with L-100s.

Q Turning to the next page, 4925, is that your handwriting?

A Yes.

Q Do you recall making those notes?

A Yes.

Q What was the reason you made those notes?

A These notes were given to me by Colonel North, as to the place to send contributions ~~from~~ for all aircraft. The top half is the account data for the bank in Geneva, Switzerland, and the bottom half is a general description of the Maule aircraft that would be purchased with $60,000.

Q Well, are the two halves of the page related? The notes on the two halves of the page.

A Yes, in that money for Maule aircraft was to be sent to Geneva, Switzerland, but I am not sure whether they were both written at the same time.

Q Was that the first time Colonel North identified the Lake Resources account in Geneva, Switzerland to you?

A I don't recall whether it was the first time or not.

Q If you would turn to the next page, which is page 4926, there are some notes on that page which appear to say country profile on Brunei for Dave and Martie. Do you see those notes?

A Yes.

Q Is that in your handwriting?

A Yes.

Q What do those notes refer to?

A I wanted to get a country profile on Brunei to give to Dave Fischer and Martie Artiano.

Q Why was that?

A Because I wanted to see if we could get Brunei as a client.

Q What was the reason you thought of Brunei as a possible client?

A Because they would be a great client.

Q Anything more than that?

A Nothing more than that.

Q What is the word under that, on the next line?

A Anthony.

Q Who does that refer to?

A Our accountants.

Q And under that?

A DK.

Q Does that refer to Mr. Kuykendall?

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A Yes.

Q Do you know why there is notes referring to your accountants and Mr. Kuykendall, at that spot?

A Probably just that I wanted to call both of them.

Q Are those notes related to the note with respect to a country profile on Brunei?

A No.

Q Mr. Miller, if you would look at page 4927, and also page 4928, are those notes in your handwriting?

A Yes.

Q Do you recall making those notes?

A Yes.

Q What were the circumstances when you made those notes, or under which you made those notes?

A They were a telephone conversation with Bosco Matamoros, in which he was recounting a call from a--actually, I think an article that was published, or about to be published, I think in the Miami Herald, but I am not sure if I remember.

Q And these notes relate to a summary of the allegations in the article?

A Yes. It is so exact that it must have been post-fact. In other words, it must have been already printed, and he was reading it.

Q Turning to page 4963, are those notes in your

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handwriting?

A Yes.

Q Do you see the reference $30,000 would be neat?

A Yes.

Q What does that refer to?

A That's what Colonel North said.

Q Are these notes of a conversation with Colonel North?

A Yes.

Q Was that his phrase, $30,000 would be neat?

A Yes.

Q Do you recall when this conversation occurred?

A Sometime in 1985.

Q Do the notes above that refer to information about a specific bank account?

A Yes.

Q And was he asking you to raise a certain amount of money?

A I don't recall whether it was raise it or transfer it.

Q What does $50,000 at the top refer to?

A I think he was looking for $50,000.

Q But then later, he said $30,000 would be neat?

Q Yeah, but that was $30,000 to go to Commercial Tool, and it is referenced at the top.

Q And was there an additional $20,000 to go to the Indians?

A I see the note, but I don't recall it. Transfer $20,000 to the Indians.

Q What is the number at the bottom, NC0056838?

A I don't know.

Q Turning to the next page, 4970, is that your handwriting?

A No.

Q Do you know the source of this information?

A Carlos Ulvert gave this to me, I think.

Q Turning to the next page, 11002, is that your handwriting?

A Yes.

Q What do those notes represent?

A That was an initial attempt to get some handle on the money coming in, and expenditures by me for Colonel North.

Q The references to contributions, and a particular date, what do those refer to?

A NEPL contributions. I would like to point out that that was an abortive attempt; it is not very complete.

Q That's one of your earliest attempts?

A Yes. It may well have been just an attempt from memory, there may have been a subsequent document, with an earlier date.

Q Turning to the notes which are on page 19302, is that your handwriting?

A No.

Q Do you know who gave you those notes?

A Well, wait a minute, some of this is in my handwriting, yes. Yes, this is my handwriting.

Q Do you know the reason that you made those notes?

A Yes.

Q What was the reason?

A In December of 1985 there was a lot of confusion about the ad campaigns that Mr. Channell had sponsored, and I wanted to create a time line that showed the ad campaigns, and the different organizations responsible for them, to make

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it easier for members of the media, and officials to understand who was doing what, at what time. And this is a basic piece of paper, that was my instruction to one of my employees, as to how to go about doing it.

Q Is the name on that page Peter ~~Flarraty~~ Flaherty?

A Yes.

Q Do you know why that name is there?

A No.

Q Turning to page 23345, is that in your handwriting?

A Yes.

Q What do those notes relate to?

A I think this was the--it is two different things. The first is a Miami International Airport Corporate Air Center and Tail Number, and that was when we flew some of the Resistance leaders up to Washington for one of Mr. Channell's events. And then the bottom half is the information on the backside of a telephone, for the phone company to be able to turn on the service.

MR. FRYMAN: Off the record.

(Discussion off the record.)

MR. FRYMAN: Back on the record.

Mr. Miller, I have no further questions, I believe that Mr. Oliver now has some questions.

EXAMINATION BY ASSOCIATE STAFF COUNSEL OF THE HOUSE OF REPRESENTATIVES

BY MR. OLIVER:

Q Mr. Miller, earlier in this deposition, in one of the previous sessions, you indicated that you had worked as Chief of News and Media Relations for AID, from February 1981 until February of 1982, is that correct?

A I think my actual title, from the very beginning, was the Director of--I have forgotten, head of the Media Relations Division, and then I was quickly promoted to the Chief of News and Media Relations.

Q And that service at AID was from what period to what period?

A I think it is February until February.

Q Eighty-one to '83?

A The total AID service is '81 to '83, that is correct.

Q And when you left AID, your title was Director of Bureau of Public Affairs?

A It was not a Bureau, it was an office, and I was the Director of the Office of Public Affairs.

Q And what level was that in?

A It was a SES political appointment, Level 3, I think.

Q Was it at the Deputy Assistant Secretary level?

A It was not at the Deputy Assistant Secretary level, there was an effort by Mr. MacPherson to put it back to the Deputy Assistant Secretary level, but it hadn't come to fruition yet.

Q So it was just below the Assistant Secretary level?

A Again, well, first of all, AID doesn't use Assistant Secretary, it uses Assistant Administrators, and there was an Assistant Administrator for External Affairs, but as you are well aware, the legislation called for an Office of Public Affairs/ and an Office of Legislative Affairs, both headed by Directors who were ~~not~~ Presidential appointees, without Senate confirmation. So we were Presidential appointees, without Senate confirmation.

Q Who was your boss?

A Peter MacPherson.

Q You reported directly in the chain of command?

A When I was Director of Public Affairs I reported directly to Peter MacPherson, and Jay Morris, the Deputy.

Q Did you meet Frank Gomez during that period of time?

A I did.

Q And what was his position at that time?

A When I first met Frank he was Deputy Assistant Secretary of State for Public Affairs.

Q Did you participate in interagency groups, in which Mr. Gomez participated?

A And that was in fact the occasion of our first meeting, he and I together called an interagency meeting on El Salvador, and I believe in February of 1982, and I sat in on interagency meetings, and I can't recall specifically if Mr. Gomez was there or not.

Q What agencies participated in those meetings?

A There were a couple of different groups, there was the Interagency Steering Committee, and I can't, off the top of my head, remember all the people, there had to be 10 Federal agencies represented there.

And then there was a Central American Policy Committee, which had predominantly State Department people represented.

Q Did DOD sit on both of those interagency committees?

A I know they sat on the Interagency Committee, I don't recall whether they sat on the Policy Committee.

Q Were representatives of the intelligence community sitting on both of those committees?

A I was never introduced to anybody as a member of the intelligence community.

Q CIA was not represented in those interagency committees?

A Don't ever remember seeing, they used to pass around a sheet, and I don't ever remember seeing CIA on the sheet.

Q Why did you decide to leave AID?

A I don't like working for the Government very much.

Q You have been working for the Government for two and a half years, or something a little over two years, at that point?

A And when I came to Washington I started as a Federal employee, when I graduated from college, and then left the Government in 1976, I already had ~~two and a half~~ 2½ years of Federal Service, so I am quite familiar with serving at the bottom and the top of the Federal Government, and I didn't like either one of them, so I left.

Q What did you do immediately upon your resigning

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from AID?

A I started International Business Communications, and began work on developing clients. I had a consultant's contract with AID for some media roundtable work, and there was one other thing in the contract, which I can't remember off the top of my head, but it was a consultant's contract, and it required me to provide some services to the Administrator of the agency.

Q How long did that contract run?

A Well, it was for a year, but as I recall, it did not run its full term, it ran, I want to say six months, but at this stage I can't remember, but we both, Peter MacPherson and myself, agreed that it was just, neither one of us wanted it to continue, and so we stopped it.

Q What was the amount of the compensation for that contract?

A I believe it was whatever the top consultant's rate is, which is usually consistent with whatever the SES rate is, so they are usually pretty much the same thing.

Q Did you have any other Government contracts during that period of time, the first year, after you left AID?

A No.

Q When was the next time that you had a Government contract?

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A Well, Frank Gomez started, excuse me, the initial

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contract in February, in fact I think the contract was signed February 22nd, with the State Department, in 1984. And I don't think it was until 1985 that they were IBC contracts, they originated as Francis D. Gomez, and then became Francis D. Gomez International Business Communications, after we began to form the partnership, and eventually became International Business Communications, as Frank was a partner in International Business Communications.

Q When Frank Gomez received the first contract, in February of 1984, what was his relationship to you, at that point?

A He was planning to come on board as a--attempting to come on board as a partner, but his responsibilities at that time were, in accounting terms, as a subcontractor.

Q A subcontractor?

A To IBC.

Q To IBC. But did the initial contract with the State Department have your involvement, in any way?

A The initial contracts with the State Department, our only involvement was in providing staff services and administration, for Mr. Gomez. That would have been our involvement.

Q But it was his contract?

A That's correct.

Q And were you sharing offices at that time?

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A Yes. At what time?

Q At the time that he got the first State Department contract, in February of 1984.

A Yes.

Q But you didn't have a business relationship, other than arms-length subcontract/contractor arrangement?

A No. I think you improperly injected the word "arms-length." Subcontractor doesn't mean that you are at arms-length. It is an accounting principle. Frank Gomez was a subcontractor to IBC, in terms of accounting. Both he and I were working towards a full partnership, and he did maintain some other work which he did not bring into IBC. That is a general description of his business relationship to me.

Q Where did you derive your income from in 1984?

A From clients.

Q Any of those clients related to Central America?

A Yes.

Q Which ones?

A The Gulf and Caribbean Foundation, predominantly the Gulf and Caribbean Foundation, in 1984. Well, the Gulf and Caribbean Foundation.

Q When did that relationship begin?

A I think it was in December of 1984, maybe November.

Q Between January of 1984 and December of 1984 did

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any of your work relate to Central America?

A Yes, the Gulf and Caribbean Foundation.

Q I meant prior to, you said December of 1984, was when you thought that Gulf and Caribbean began, and I was asking from January of 1984 to December of '84, which is almost a year.

A Well, I said that I believe we started working for the Gulf and Caribbean Foundation in December or November, so prior to our work for the Gulf and Caribbean Foundation, our contact with Central America would have been, in general terms, we represented a UN agency that was involved in funding the Third World development projects, some of which were in Central America.

We represented, of course, I had the consulting contract with AID, and AID is deeply involved in Central America, and the media roundtables would have incorporated, as it was a hot subject at the time, Central America.

Q I thought that you said that the consulting contract ran from February of '83, when you left AID, for about a year, and then you didn't--

A Correct.

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Q --do the whole time. So what I am trying to do is to fill the gap in between that contract and the Gulf and Caribbean relationship, which I assume would be late in 1983 until late 1984, so my question is, during that period of time, after the consulting contract with AID, prior to the Gulf and Caribbean relationship, did any of your clients relate to Central America?

A Again, the UN agency that I just described to you, and the others, but only in general terms. We worked with 20th Century Fox, who was doing an Olympics project, I guess you could say that related to Central America, but only in general terms.

Q How big a staff did you have during that period of time?

A Two people.

Q You and one other, or you--

A Myself and two others.

Q Two others.

A Yes.

Q When did you begin to participate in the State Department contracts, as a consultant, or when did you begin to be compensated for work that you did in relation to the State Department contracts.

A You asked two questions. We were trying to form a partnership, and Mr. Gomez put his proceeds from his professional efforts into the general coffers of International Business Communications, in an effort to develop enough business to sustain a partnership. That is the answer to your second question.

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The first question was that initially my responsibility was to provide administrative and professional backup to Mr. Gomez, and that incorporated everything from, you know, developing media lists for his work, providing files for development of articles.

So really, from the start, we were involved, all the people were involved in Mr. Gomez's contract.

Q When did you first meet Otto Reich?

A I can't tell you exactly when, but it was sometime in 1981.

Q While you were at AID?

A That's right. Otto was the Assistant Administrator for Latin America.

Q Was Mr. Gomez's first contract with the State Department under the office that Otto Reich headed at that time?

A Yes.

Q Did you have any participation or involvement at all in securing that contract?

A I don't recall having any, no.

Q Do you know Walt Raymond?

A I have met Walt Raymond, yes.

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Q When did you first meet Walt Raymond?

A I think Raymond came to some of the interagency group meetings. I don't recall specifically which ones, but

I think he was present at some of them. And Frank set up a lunch one time, I think, and maybe it was a breakfast, and I met Raymond one time.

Q When was that?

A Sometime in 1984, I think.

Q What was the purpose of the breakfast?

A Just a get-acquainted session.

Q Do you remember what was discussed there?

A No.

Q Did you have any dealings with Walt Raymond, after that?

A Occasionally, because in 19884 he had some involvement in the information development on the Reagan Administration policy in Central America, and I am sure I have had telephone conversations with him, or been to meetings at which he was present.

Q Since that breakfast, and since you left the Government?

A That's correct.

Q Do you remember what the substance of those conversations with Walt Raymond was about, if you can remember?

A I can't remember the substance, they would have been generally about Central America, Reagan Administration Central American policy, but specifically, I can't remember any of the details.

Q Did he ever discuss ~~with~~ your work for Spitz?

A No, not that I can recall.

Q When did you--I am sorry, you said earlier that you met Jonathan Miller in the 1980 campaign, is that correct?

A That's correct.

Q And that you became good friends?

A No.

Q Over a period of time?

A I didn't really get to know Jonathan until our work together at AID.

Q And what was his job at AID?

A He was in the Legislative Affairs area for a while, and then went to become a country Director, somewhere, I forgot where, Assistant Country Director, I have forgotten what position it was, but he went off to Africa, I think. I can't remember specifically.

Q Was that for AID, or for the Peace Corps?

A Could have been for the Peace Corps.

Q And then when did you renew your acquaintanceship?

A When he popped up again at the State Department, in Otto Reich's office.

Q And during the time that Frank Gomez had contracts with LPD, was Jonathan Miller the official technical representative for the State Department, on those contracts, the person responsible for the oversight?

A I don't remember who was responsible in the first contract, and that is probably because I wasn't involved in the direct negotiations on it. But the people whom I recall us reporting to would have been Otto Reich, Jonathan Miller, John Blacken and John Scath.

Q You reported to all four of them?

A At different times, yes. And some of them simultaneously. For instance, John Blacken and Jonathan Miller were Deputies, there were two Deputies under Otto Reich, and then when Jonathan Miller moved, John Blacken moved up to that Deputy slot, and I think John Scath moved into the other one.

Q You started to report to them after IBC got its first contract from the State Department?

A That's correct.

Q When was the first IBC contract?

A It was signed on February, I believe the date is correct, it was signed on February 22nd of 1984.

Q That was the Gomez contract?

A That's correct.

Q The first three contracts were in Mr. Gomez's name, but they were with him, not with IBC. My question was when did IBC get its first contract with the State Department?

A I am not sure I can accept your characterization, I don't have a copy of the contracts in front of me. But I believe that one or two of them said Francis D. Gomez International Business Communications.

Q So you started to meet with these people from the time that Frank Gomez had this contract, had his first contract?

A I can't be that specific. I can't tell you whether in the first three months of Frank's being at IBC whether I met with any of these people or not.

Q From October 1st of 1985 to September 30th, 1986, IBC had a contract with the State Department that was classified as secret, which was substantially more than previous contracts that IBC and Frank Gomez had with the State Department.

Could you tell me when you began to negotiate that increased level of contract with the State Department?

A During the completion of the previous contract, which was for 90-some thousand dollars. We were asked by John Blacken to review the publication distribution system, and we had given an assessment of its effectiveness. It was a short process, and the results of our exploration were startling to us, disheartening to us, because we had put a lot of work into developing materials to be disseminated to the public, only to find out that they were not getting disseminated, because there was no distribution mechanism.

They were very distressing to Otto Reich and John Blacken, because that was one of their charges. And the subsequent contract negotiations started almost immediately, with them asking for a recommendation to have us add the distribution process to our responsibilities of media relations, escort services and political counseling.

So we made a proposal for an increased contract, with a separate section for the distribution, and that seemed to move quickly, until it got to the Contracts Office, who then informed us that this was an entirely different form of contract, that it would have to be redone, as a cost-plus, fixed-fee contract. By this time we were already beginning to perform the same services that we had provided in fiscal 1985, in fiscal 1986, and we were assured by the Contract Office that they would produce a ratification letter, so that we would not be performing these services without compensation. And we then went through the process of negotiating a cost-plus, fixed-fee contract, something that I would not wish on anybody, it is a pretty deliberative process, including having DCAA auditors in your offices, and full exploration of your books, and demands for accounting practices, and so forth.

And that all took a long period of time. In fact, we didn't even finish up until we were through a great preponderance of the work that was envisioned under the

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contract.

Q So the new component, the way in which this contract differed from the previous $90,000 contract, was the distribution system?

A That's correct.

Q So why was it classified secret?

A Well, I can tell you why I thought it was classified secret, and recount a conversation with Jonathan Miller to that effect. We had drawn the interest of--we are right up against the other barrier we were up against before--we discussed this in a previous deposition.

I don't know, do you want to go off the record?

MR. OLIVER: Yes, let's go off the record.

(Discussion off the record.)

MR. OLIVER: Before we go any further, Mr. Miller, do you have a security clearance from the U. S. Government at this point?

THE WITNESS: I am not sure of that. We had one, and we were notified by the Office of State Security, State Department Security Office, that they were going to lift it, so I can't tell you whether it is in force right now or not.

BY MR. OLIVER:

Q When was the last time that you had a personal security clearance?

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A Up until a matter of three or four weeks ago.

Q You testified earlier that you had worked at, I believe, the General Services Administration, and then the Department of Transportation, and then AID.

A Yes.

Q During those periods of time you had Government-authorized security clearance, isn't that correct?

A That's correct.

Q Is it your understanding that when you terminate the employment for which the security clearances are necessary, that the security clearance is also terminated?

A It is my understanding that the security clearance is predicated on employment, so that a security clearance is undertaken when you are employed, and you maintain your clearance as long as you are employed, with the caveat that if you have longer than a three-month break between employment, then you have to go through the security clearance process all over again.

Q Well, between February of 1983, when you left AID, and became a private citizen, and October 1st of 1985, what would have been the reason for you to have a security clearance?

A I didn't have a security clearance.

Q When did you--

A Although I am sure the Agency for International Development considered my clearance active while I was a

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consultant to Mr. MacPherson, but he would have to answer that one.

Q Were you ever notified that you had a security clearance, while you were a consultant?

A It isn't vacated if you have no break of employment, is what I am trying to tell you.

Q Well, my understanding of security clearance is considerably different. My understanding is that you have a security clearance, on a need-to-know basis, for work that you are performing for the Government, and once you stop performing that work, you no longer have a security clearance, and I think, all the clearances that I have had, you had to sign papers to that effect. And I know if I leave my employment my security clearance is no longer in effect.

And that is why I am asking you whether any steps were taken to maintain your security clearance, after you left the Government.

A No.

MR. PRECUP: By you?

THE WITNESS: By me, none were taken by me.

BY MR. OLIVER:

Q Do you know of any steps that were taken to maintain your security clearance, while you were a consultant to AID?

A Not that I am aware of.

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Q The contract which you were performing in the amount of $90,000, which preceded the, I believe it ran through September 30th, 1985?

A Correct.

Q Did that contract require a security clearance?

A No.

Q But the contract that began on October 1st, 1985 required a security clearance, is that correct?

A That is correct.

Q And it required a security clearance for how many of your employees?

A Well, ultimately it was decided that there were only two employees to be cleared, and that was Mr. Gomez and myself, and that was decided finally by the Defense Investigative Agency.

Q And did they notify you that you had received security clearances?

A They notified us that we both had an interim security clearance and the final security clearance.

Q Were those security clearances for you and Mr. Gomez, or were those facility security clearance for your office?

A They were, under the circumstances, actually one and the same thing, because we were not cleared to have classified materials, custodial responsibility for classified

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materials, and we are the facility, since it was a partnership, so they decided finally it was only necessary for them to clear the two of principal partners, which they did.

Q When did they give you an interim clearance?

A I don't remember specifically, sometime in about the middle of the year.

MR. OLIVER: If I may, I would like to ask the reporter to mark this as Miller Exhibit 31, and indicate that this is a compilation of documents that are related to the IBC-State Department contracts.

MR. BUCK: I was just going to suggest that the witness look at the exhibit.

MR. PRECUP: Now, Mr. Oliver, this is a thick document, so rather than having the witness go through it, would you invite his attention to the specific areas.

MR. OLIVER: I will invite his attention to various pages as we go through, rather than ask these questions, I will try to have him look at these documents, so he can refresh his memory from them as we discuss them.

XXXX

(The document referred to was marked for identification as Miller Deposition Exhibit No. 31.)

BY MR. OLIVER:

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Q If you would look at the second page of that

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compilation of documents, January 11th, 1985, which is a memorandum to International Business Communications, and ask you to identify it?

MR. PRECUP: I am not finding this.

MR. OLIVER: Page two, the next one, the very next page.

MR. BUCK: It is just a three page document.

MR. PRECUP: To whom?

MR. OLIVER: It is a January 11, 1985 memorandum/

MR. PRECUP: We found it.

BY MR. OLIVER:

Q I would like to ask you to examine that document, and tell me whether or not you have ever seen it before.

A Yes.

Q Is this document an accurate reflection of the services that Frank Gomez and IBC performed for the State Department on the $90,000 contract that ran from, I believe it ran fiscal 1985?

A No, actually I think this is fiscal, no, you are right, it is the first quarter of fiscal year 1985.

Q Actually, it looks like the last quarter of fiscal 1984 and the first three months of 1985, but let me rephrase the question.

Is this an accurate reflection of the work that IBC was doing for the State Department in January of 1985, had

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been performing for the State Department?

A Yes.

Q Were you involved in any or all of these 10 items?

A Many of these 10 items.

Q Was anyone else, besides you and Mr. Gomez, involved in work for IBC, involved in these activities?

A Sure.

Q Who were the others who had responsibilities for any of these specific items?

A Jeff Keffer, Jacqueline Clemonds, Mona St. Leger, I am going to embarrass my employees when I don't remember all their names, Anna Chrysler, and some subcontractors, as well.

Q Number 2 on that list, says Creation and Implementation of Immediate Plans for S/LPD-directed newsmakers, what does that mean?

A There were people who S/LPD brought up to Washington, to have them address the media on Central American issues. People like defectors, atrocity victims, refugees.

Q When you say LPD brought them up, what do you mean, do you mean they paid for them?

A I can't tell you who paid to get them here, but once they got here they were S/LPD's responsibility.

Q Do you know who paid their expenses?

A Not specifically, no. We would sometimes get organizations to sponsor them, and have those organizations pick up their expenses. But that was Washington expenses, or U. S. expenses. But how they got to the United States, ~~is~~ ~~[illegible]~~ I can't tell you who paid for it.

Q What made you think that S/LPD brought them up?

A Well, I will use a different phrase. I was aware that when they got here they were S/LPD's responsibility. Obviously S/LPD would have had some coordination in getting them here, or they wouldn't have been able to notify us that they were coming.

Q So you were asked by LPD to create and implement media plans for these people?

A That's correct.

Q And did that include appearances on television, and press conferences, interviews with newspapers?

A That's correct.

Q Did it include appointments with Government officials?

A Some of their schedules included Government officials, but those appointments were not generally set by us. In fact, they were rarely set by us.

Q Who set them?

A Somebody in S/LPD. There was normally an official in S/LPD who had responsibility for these people. We also sometimes depended on the sponsoring organization to make some contacts for them.

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Q Number 3 says writing, editing and distribution plans for ~~oped~~ op-ed and news articles for S/LPD officials, and S/LPD-designated newsmakers. Who were the S/LPD officials that you refer to in that?

A John Blacken, Jonathan Miller, Otto Reich, anybody who would sign an ~~oped,~~ op-ed, or letter to the editor.

Q So you would write them, and edit them, and they would sign them, and then you would distribute them to newspapers?

A No, we would write them, and edit them, and then give them a distribution plan, and they would distribute them.

Q What are S/LPD-designated newsmakers?

A There were a lot of people within the State Department, and Defense Department who were participants in the S/LPD newsmaking process.

Q Do you remember who some of those people were?

A Not off the top of my head.

Q Number 10 says "Served as liaison with groups active in promoting democracy through programs in Central America and the United States." Which groups were you the liaison with promoting democracy in the United States?

A Well, I guess you can read that sentence that way, but we were not engaged in the business of promoting democracy in the United States. We were engaged in the business of

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promoting Central American democracy, and we did that sometimes in the United States.

Q Do you remember some of the groups that you served as liaison with?

A Yes, PRODEMCA, Gulf and Caribbean Foundation, Freedom House; I am tired, and those are the only ones I can remember off the top of my head.

Q So those were--

A Institute for Religion and Democracy, Catholic Church, The Evangelical Association.

Q So your interaction with those groups, from September of 1984 to January of 1985, was part of your responsibilities, under your State Department contract, is that correct?

A We were sometimes asked by officials of S/LPD to represent them in meetings, or such organizations. But it didn't account for all of our contact with those organizations.

Q In the summary, at the bottom of the page, it said that "The above activities were carried at the direction of S/LPD." So is it safe to assume that all of the things that are listed there were done at their direction?

A Yes.

Q You indicated a minute ago, when I asked you who performed these things, you listed a number of people, and you also said several subcontractors.

A Yes, I misspoke. We didn't use subcontractors until our 1986 contract, although we may have used them after this contract.

Q After that date?

A Well, after December, there may have been some subcontractor use.

Q Was there another report submitted to the State Department on your activities, other than this piece of paper?

A Oh, sure. There were several reports. In fact--

Q I am talking about for this period of time, from September of 1984 until January of 1985.

A I will say that there were many reports submitted. Off the top of my head I can't tell you whether any fell in that three-month period or not. And I believe the staff has been provided with an entire notebook full of those reports.

Q When did you begin work on your fiscal year 1986 contract that was designated as secret?

A The first day of fiscal year 1986.

Q How could you perform the secret contract, if you didn't have a security clearance?

A I don't think it had been stamped secret at that point in time.

Q Well, how did you know what you were supposed to be doing, if you didn't have the contract?

A We were doing exactly what we had done the year before, with the addition of the distribution activities.

Q But what you had done the year before did not require a secret clearance?

A No.

Q So was it the distribution system that required a secret clearance?

A No.

Q Why did you need a facility clearance for your offices?

A We didn't, and I don't think we ultimately got one. We ultimately got a clearance for the two principal members of the firm, I think that is the way they finally did it.

Q Let's look at the contract.

MR. OLIVER: If you would look at, about half-way through this packet, at a letter from the Defense Investigative Service. The bottom of it has a designation, J-2.

MR. PRECUP: We have it.

BY MR. OLIVER:

Q That is a letter to the Chief of the Procedures Security Division, Department of State, from the Defense Investigative Service, indicating that the facility was grant~~ing~~ed an interim "secret" security clearance on July 30th, 1986. It doesn't have the capability to safeguard classified material.

Prior to July 30th of 1986 when you received this interim "secret" for the facility, but without storage capacity for classified material, had you ever been given any notification that you/ or Mr. Gomez had received individual security clearances?

A No. I don't think so.

Q Were you ever notified that you/ or Mr. Gomez, during the period of this contract, had received security clearances?

A No.

Q When you signed this contract on September the 2nd, 1986, did you have a "secret" security clearance?

A No.

Q How could you read the contract if you didn't have a clearance?

MR. PRECUP: I think that's a rhetorical question.

THE WITNESS: I'm not sure I read the contract--

MR. OLIVER: Well, I mean, it's a serious question, and it's one that's been raised by a number of people, is how could somebody without a "secret" clearance read a "secret" document.

BY MR. OLIVER:

Q Was there any discussion of that when you signed this contract?

A Yes. I was given it by the contracts officer to

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sign and then she took back the contract.

Q But you did not have a copy of it?

A I did not have a copy of it.

Q Was it stamped "secret" at the time you signed it?

A I think so, but I'm not sure.

Q So you did not have a copy of the contract at any time during the period of your performance of the contract?

A That's correct. I believe that's correct.

Q How did you know what the contract contained? How did you know what you were supposed to be doing?

A Well, we had been doing it for some time, and we had also made the original proposals that were the basis of the contract. We met with the DCAA auditors. We'd instituted their accounting procedures. We had instituted their time and billing records requirements, and we were reporting, regularly, to the Program Office.

Q If you will look at a document in this stack dated February 7th, 1986, which is a letter from you to Lana Berryhill, a contracts specialist, dated February 7, 1986, on International Business Communications' stationery.

If you will examine that document and the attached pages, and tell me whether or not you've seen it before.

First, is that your signature?

A Yes.

Q Did you draft that letter?

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A I don't--I'm sure I didn't draft this letter.

Q Who would have drafted this letter?

A It was probably a collegial effort between my attorneys, my accountants, and our office manager.

Q Well, if you will look at page two, it is headed "International Business Communications/State Department Contract Proposal."

Is it your understanding that you were proposing, at that time, a contract, proposing that the State Department accept a contract for you to do this work?

A No. This proposal had been standing since 1985, and was, as I described to you in earlier testimony, a ridiculous and deliberative process that took a long time, and this is one stage in it. I can't put it for you in time, but because of the way the figures are indicated, it would seem to be after it was decided that it had to be rewritten as a cost-plus, fixed-fee contract, and the subsequent pages also bear that out.

Q If you will look at Enclosure "C" there, several pages back, it has a IBC-proposed overhead budget, January 1st through December 31st, 1986, and the amount proposed there is $278,000, and something, on the bottom line.

Was it your proposal that this contract run for the calendar year January 1st through December 31st, 1986?

A This is a reflection of the process you go through

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to establish a overhead budget--or an overhead rate, and this is the budget that you prepare in order to establish the overhead rate. It is only a different time line because that's what IBC's accounting is on, was on a calendar year, and that's why it's written January 1st through December 31st.

Do you understand the distinction between the budgets needed to establish an overhead rate and the actual budget for the contract? They are not one and the same thing. This is an accountant's procedure to establish an overhead rate.

Q On the first page of these documents, it indicates overhead costs for the period of January 1st through December 31st, 1986, and on page two, it has a State Department contract proposal.

Are you indicating to me that this is not a proposal? That this is a contract that you were already working on?

A I'm indicating to you that we continued the work we had undertaken in fiscal year 1985, and continued it into 1986 with the addition of the contract for the distribution, and we were assured by the contracts office that they would give a ratification letter when the contract negotiation was finally resolved.

And what you're holding in your hands, in toto, is

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the correspondence that's a reflection of that "back and forth" with the contracts office.

Q Did you receive that assurance in writing?

A No.

Q Your 1985 contract ended on September the 30th, 1985, is that correct?

A Correct.

Q So you had no contract from that point forward?

A Well, according to the Legal Office over at State Department, and according to our attorneys, we did have a contract because we proposed a formal contract that was identical to the other, plus an additional contract amount for what was requested of us, and that was accepted by the Program Office and by the Management Office, and it wasn't until it got to the Contracts Office that they decided not the substance but the form of the contract had to be different.

And it was the Contracts Office that assured us that they would give us a ratification letter.

Q Who assured you they would give you a ratification letter?

A Lana Berryhill, and another gentleman that was in the meeting, and I can't remember his name, but he's--no, no, this was somebody--I can't remember the gentleman's name, but I'm sure Ms. Berryhill will remember the meeting. Both Frank Gomez and myself were present. And it was stated to us on

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two occasions that there was no problem, we would have a ratification letter, but this contract had to be done as a cost-plus, fixed-fee contract.

Q So they told you to go ahead and start work without a contract?

A No. They told us when the contract negotiations were finished, they would do a ratification letter, and they felt that we had a contract.

Q When were the contract negotiations finished?

A September of 1986.

Q Were you ever told during that period of time that you shouldn't be performing any work without a contract?

A No.

Q Did anyone from the State Department ever tell you that they had been told that you should not be performing this work without a contract?

A I don't recall anybody telling us that.

Q How many different proposals did you make for this fiscal 1986 contract?

A As I recall it, there were about three of them.

Q Did they differ in amounts?

A Yes. They kept getting bigger, with the final contract being considerably larger than what we had originally proposed. That amount being dictated by the Inspector General's Office, and their reading of the costs associated

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with the contract.

Q Well, how did you know how many people to assign to this contract if you didn't know how much you were going to be paid for the work?

A Well, we had proposed an amount that was sufficient to meet the personal needs that we had working on the contract. It's my business to know that.

Q If you will look at the September 11th, 1985 memorandum for Frank Gardner from IBC.

A September 11th, 1985. Okay.

Q This is a memorandum for Frank Gardner from you dated September the 11th, 1985, subject, "Revised Draft Contract," and the first sentence says, "Attached is a revised copy of our proposed contract for FY 1986."

Do you recognize that document?

A Yes.

Q Is that your signature?

A Yes.

Q Enclosure 1 says, "Renewal of existing SLPD contract, FY 1986." Do you remember that provision?

A Yes.

Q Why was the existing SLPD contract with IBC not renewed?

A It was renewed. I don't understand your question.

MR. PRECUP: I'm not sure I understand, either, Mr.

Oliver.

MR. OLIVER: Your October--

THE WITNESS: May I point your attention--

MR. OLIVER: It says, "Based on similar services provided FY 1984 and FY 1985."

This was a different contract in FY '86.

MR. PRECUP: Different from?

MR. OLIVER: Different from the contracts that they had in FY 1984 and FY 1985.

THE WITNESS: Well, I'm willing to answer your question, if you read the next sentence which says: "Also included is a description of the services to be provided under the renewal of the current contract, and cost and services to be included in the management of SLPD's distribution system."

BY MR. OLIVER:

Q Was your contract ever renewed?

A Of course. We considered this contract to be renewed when we have to perform the same services we're providing in the former two fiscal years.

Q Were you ever told that it was not possible, under the regulations, to renew this contract without putting it out for public bid?

A I don't recall being told that, no.

Q Have you read the Inspector General's report of the

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State Department IBC contract?

A Yes.

Q Do you recall that report indicating that they felt there was no justification for the classification of the contract being "secret" and that the reason for doing so was to avoid putting out the contract with IBC for public bid?

A I read that and I also read Otto Reich's rebuttal to that which stated that that was not the case, and I would concur with Ambassador Reich, and that's a matter still in dispute with the Inspector General.

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Q So it's your testimony that you performed this work beginning on October 1st, 1985, even though you did not have a written contract?

A We felt that we had a written contract. We had a written contract. We didn't have a signed contract. Actually, for some portions of that period, we did have a signed contract because it was signed by the administrative officer of the Program Office, and also by the person in the Management Office, and it was not until it got to the Contracts Office, after those two signatures, that it was decided that it had to be a cost-plus, fixed-fee contract.

Q But you did not have a copy of a contract?

A Of course I did.

Q Signed by who?

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A Signed by the administrative officers of SLPD,and signed by the Management Office of the Secretary's Office.

Q When did you obtain that signed contract?

A Those were the documents that were transmitted to the Contracts Office, and made the Contracts Office decide that it had to be a cost-plus, fixed-fee contract.

Q Do those contracts that you refer to exist?

A I would assume there are copies of them at the State Department.

Q Well, the document that we were just discussing, dated September the 11th, 1985, your revised draft contract, has attached to it, as one of the attachments, expenses for the above services in the amount of $126,500.

A Yes.

Q Is that the basis upon which you began to perform your work on October the 1st, 1985?

A Yes.

Q That was the rate at which you paid your IBC staff members and yourselves for that period of time?

A No.

Q Why not?

A Because IBC's senior partners made--as you can see from our records provided to the Committee--considerably more than what was the SES rate, but under a federal contract, that's all the government will allow, so the time associated with our service under this contract, as senior partners, was billed at the S~~C~~ES rate.

Q So this proposal doesn't mean anything?

MR. PRECUP: Well, wait a minute, Mr. Oliver.

MR. OLIVER: Well, I'm trying to determine. I asked him whether or not this was the basis for the work that was being done.

THE WITNESS: And I said yes.

MR. OLIVER: And except for it doesn't apply to-- the salaries part is incorrect?

THE WITNESS: Well, you then subsequently asked me whether the salaries reflected here were accurate, what we paid ourselves, and I told you that they were not, and neither are they in the subsequent cost-plus, fixed-fee contract. IBC partners Frank Gomez and Rich Miller made considerably more money than that, but that is the only allowable rate under the federal contracts system, and that's what the rate billed to the State Department was.

BY MR. OLIVER:

Q What I'm trying to determine, Mr. Miller, is without a contract, and without an accepted proposal, how did you know how much money to expend on these services during this period of time?

MR. PRECUP: I'm going to object to that question because it is inconsistent with the witness's testimony. His testimony was that he did have a contract and did have an accepted proposal.

THE WITNESS: I might also point out, that I believe that there is a subsequent document to this, issued by Mr. Gardner to the Administrative Office, and I would encourage that you try and secure a copy of it. I think there is a signed contract.

MR. OLIVER: I will indicate that we have received all of the signed contracts from the Department of State. They've indicated to us that we have received all of the contracts, and that this contract that was declassified is the only contract that existed, according to the State Department, between October 1st, 1985 and September 30th, 1986.

If you have another contract that we don't know about, we'd be very happy to receive a copy of it.

[Witness and counsel confer.]

THE WITNESS: I don't have it in my possession, and if I did you'd be welcome to it. But I don't have it, and if they don't, I guess they didn't retain a copy of it.

MR. OLIVER: Well, they've indicated to us that, to their knowledge, no contracts other than these in our possession exist.

~~[Pause.]~~

BY MR. OLIVER:

Q Do you have a document dated October 3rd, 1986, a memorandum to Edwina Brown from Robert Kagen?

A Yes.

Q Would you examine that document. On the second page, there is a letter from you to Robert Kagen dated September 16th, 1986.

A That is not a letter. That is an invoice, as dictated by the contract.

Q An invoice. Is that your signature on the invoice?

A Yes.

Q Are these attachments to that invoice--did you submit those along with the invoice? Is that a part of the invoice?

A Yes.

Q Are those figures that you've compiled?

A Yes.

Q Are they accurate figures?

MR. PRECUP: I'm going to object to the form of that question. I think you know, Mr. Oliver, the Inspector General of the Department of State has, for many months, been examining the books and records of IBC in connection with the fiscal 1986 contract, and in ~~a view~~ reviewing this case~~s~~ has pointed out discrepancies, what I would consider, and I think even the Inspector General considered, fairly minor amounts, but it is a large contract and it covers many, many different things.

There are also some areas where the Inspector

General and IBC have very strong differences of opinion about the accuracy or propriety of certain of the charges here. I think if you rephrase your question in terms of what you beli~~ed~~ve at the time--

MR. OLIVER: I'll rephrase, counsel.

MR. PRECUP: Thank you.

BY MR. OLIVER:

Q Did you believe, at the time, that these were accurate figures reflecting the expenditures made by IBC in pursuit of performance of the State Department contract during fiscal year 1986?

A Yes.

Q How much of the costs associated with that invoice were for services provided by you and/or Mr. Gomez?

A I can't answer your question, looking at this document. I would have to go back into very extensive files to give you a percentage. It's not possible for me to answer it from this, or off the top of my head. It's an extremely complicated--

Q Is it fair to say that you and Mr. Gomez did not provide 50 percent of your time to the State Department during the 12 months that that contract was being performed?

A Again, I'd have to go back to my records and look at the time and billing records for that period, to give you a percentage.

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Q Did you have access to classified documents of any kind during the period of this contract, from September of 1985 to October of 1986?

A Not that I'm aware of.

Q Do any of the figures in the overhead costs in the invoice that you submitted on September 6th, 1986 reflect expenditures that dealt, in any way, with classified materials?

A I don't believe so, but you're asking an awful finite question, and I will give you a tentative answer, and that is, I don't believe so. But I would have to go back and sit down with lawyers and accountants to answer it, specifically.

Q Did anybody at IBC, during that period of time, have a government security clearance?

A We had a clearance in July of 1986.

Q Did any of the individual employees have a security clearance?

A No. Well, other than Francis Gomez and Richard Miller.

Q What kind of clearance did you have?

A As I understand, it was a "secret" clearance.

Q Given to you by?

A The letter that was indicated in your files earlier.

Q That talked about a "facility clearance." Did you

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ever receive a letter that indicated that you or Mr. Gomez had a security clearance?

A I don't wish to debate semantics with you about it. The Defense Investigative Agency told us that they were going to clear Mr. Gomez and myself. When we got that letter, that's what we assumed ~~it.~~ was, I don't know what they mean by "facilities clearance," specifically.

Q Did you, or Mr. Gomez, to your knowledge, ever fill out any forms associated with an application for a security clearance after you left the Government?

A Yes, and we were fingerprinted, and interviewed by Defense Investigative Service investigators, and we got reports from associates that they had also been similarly interviewed by either DIS or FBI field investigators.

Q Other than this letter that talks about a "facility clearance," neither you nor Mr. Gomez ever received notification that you had a "secret" clearance?

A Again, we were told only that they were undertaking a clearance for the two of us, and when we got that letter, we assumed that meant our clearance had gone through.

Q But nobody else at IBC, to your knowledge, has a security clearance?

A That's correct.

Q During the first seven months of your consultancy arrangement with David Fischer and Marty Artiano, which I believe you said earlier was the period during which they performed services for which you paid them $480,000, was Mr. Artiano a full-time practicing attorney at the same time?

A He was a practicing attorney at the same time.

Q Was he a partner in a law firm, to your knowledge?

A I believe his corporation was a partner in a law firm, yes.

Q Did Mr. Fischer reside in Utah during that period of time?

A Yes, during that period of time he resided in Utah and in Washington.

Q Was he employed by another entity in Utah during that period of time?

A No. I don't believe so.

Q Was he employed by anyone else, to your knowledge, during that period of time?

A He is the commissioner for the boundaries of Canada and the United States, but that's a commission post and not an employee position.

Q So it was your testimony that the $480,000 that you paid to Mr. Artiano and Mr. Fischer were for the services which they performed during the first seven months of this relationship, which I believe, according to your testimony, would have been December of 1985 to June of 1986, is that correct?

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A Correct.

Q Did they submit invoices, or vouchers, or any bills of any kind to you for their services during that period of time?

A No.

Q Was there any written record of their performance on your behalf during that period of time?

A Well, as reflected in strategy documents for client letters, meetings, briefing memoranda, documents, that type of thing. There would be a record.

Q Have you produced those documents?

A Oh, sure. All of them.

Q Did you pay any other consultants, in 1985 and 1986, more than $25,000? Other than you and Mr. Gomez?

A In 1984 and 19--

Q 1985 and 1986.

MR. PRECUP: Excuse me. Annual figures or combined for the period, Mr. Oliver? What are you asking the witness?

MR. OLIVER: I'm asking for annual figures.

Let me rephrase the question.

THE WITNESS: Please.

BY MR. OLIVER:

Q Other than you and Mr. Gomez, did any employee at IBC make a salary more than $25,000 per year?

A In '85 and '86? Yes.

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Q Who?

A Steve Schwarz, Fran Jacobawitz. Again, you've got me embarrassing my employees.

Q What was Fran Jacobawitz's job at IBC?

A Her title was director of marketing, and her specialty is writing research, distribution and mailing techniques.

Q Does she also go by the name of Fran Jacobs?

A Yes. She does.

Q Is she in any way related to the expenditure on your bank records to an entity known as Weir, Jacobs, in the amount of $5,000?

A Yes.

Q What was her relationship to that expenditure?

A She's a partner in Weir, Jacobs, and it was a New York firm which she and her partner have now relocated to Washington. She left it while she worked for us, and has now since gone back to work for it.

Q What was the $5,000 payment to Weir, Jacobs in October of 1985?

A In October of 1985, it was for an examination undertaken by Weir, Jacobs of the SLPD distribution system, and recommended improvements in the system.

Q When did she begin to work for you?

A September of 1985, I think. I'd have to look at the records, more specifically, but I think it's September.

Q She was also still a partner in Weir, Jacobs at that time?

A No, no. When she came to Washington, she was no longer a partner in Weir, Jacobs. I should clarify that. Let me rephrase that. I don't feel comfortable characterizing her business relationship. She may have considered herself to still be a partner in Weir, Jacobs.

Q But she was an employee of IBC from September of 1985 until when?

A Recently. She left in May or June of this past year.

Q Did she work on the State Department contract?

A Yes. She did.

Q What did she do in the performance of that contract?

A She handled general assignments. She was also responsible for the distribution section of the contract.

Q Does she have a brother named Jake Jacobawitz?

A She does.

Q At the time when your contract began with the Department of State, was he an official of SLPD?

A He was an employee of SLPD. I don't know, at that point, whether he was an official.

Q Do you know whether or not he was involved in any way in the evaluation of the proposal that was made to the

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State Department by IBC?

A I don't believe so.

Q Was Fran Jacobs involved, in any way, in the presentation of the IBC proposal to SLPD?

A I don't believe so.

Q How did she happen to come to work for you? I guess the question should be, how did you happen to hire a New York firm--Weir, Jacobs--to do this work evaluating the State Department distribution system?

A Well, I have to correct you. We didn't hire Weir, Jacobs. We hired Fran Jacobawitz, and she chose to take payment to Weir, Jacobs. That's her own matter. That's a business decision on her part. I didn't make that.

Q Was she living in New York at the time?

A No. If she was domiciled in New York, she was certainly present in IBC most of the time. So I don't recall her being--

Q I think you indicated--maybe I'm a little confused. I thought you indicated, a few moments ago, that the $5,000 payment to Weir, Jacobs had been for services that they had performed for IBC related to evaluation of the State Department distribution system. Is that correct?

A No. What I indicated to you a moment ago was that the $5,000 was paid to Fran Jacobawitz to complete an evaluation of SLPD's distribution and recommendations, and

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she chose to have the payment made to Weir, Jacobs, and she could have chose it to be made to cash. That's her choice. It wasn't my choice.

Q So Weir, Jacobs performed no services for you. The services that were performed were performed by Fran Jacobs, or Jacobawitz, in a personal capacity?

A In a professional capacity, and, as I understand it, that was the business of her firm, yes. But yes, in a professional capacity.

Q How did you meet Fran Jacobawitz?

A I think Frank introduced me to her.

Q When?

A I can't remember precisely when, but we were looking for someone to handle the contract.

Q Had you known Jake Jacobawitz before you met Fran Jacobs?

A No, and I don't think I met Jake for some time after Fran came to work with us.

Q Do you know whether Mr. Gomez knew Jake Jacobawitz before?

A I'm not sure.

Q I'm going to try to run through, Mr. Miller, some notes that I made on some follow-up to Mr. Fryman's questions, and I'll try to be as quick as I can.

MR. PRECUP: I do just want to reiterate, without taking time to do it, that at 6:30 we're going to terminate. Mr. Miller is very, very tired. So we can proceed.

MR. OLIVER: You indicate you wish to recess the--

MR. PRECUP: No. I don't want to recess. I want to conclude.

MR. OLIVER: Well, if we can do it by 6:30, that will be fine, but if we don't conclude, we'll either stay or we'll recess to another time.

BY MR. OLIVER:

Q You indicated in response to one of Mr. Fryman's questions, that you thought Spitz Channell wanted to have Dantz ~~Dennis~~ Fa~~c~~sell on his board. Did Spitz Channell have a board?

A No, he never formed a board, but he discussed it with me, and several candidates were discussed to form a board of directors for his organization.

Q For which organization?

A For the National Endowment for the Preservation of Liberty.

Q But it had--

A Has a board of directors as a corporation. But he was talking about a board in the sense of those types of organizations.

Q You indicated earlier in this deposition, that some of the figures that you discussed with Mr. Fryman might have been loan payments.

Did you have any loans from the National Bank of Washington?

A I had, I believe, two loans from the National Bank of Washington.

Q What was the purpose of those loans?

A They were business loans.

Q To IBC?

A Yes.

Q Was there collateral for those loans?

A No. They were demand notes.

Q Was there a co-signer or a guarantor on either one of those notes?

A I don't recall there being a co-signer or a guarantor.

Q Do you remember the amounts of those notes?

A I believe the first one was for $10,000, and I think the second one was for $7500, but don't hold me to that.

Q Did you also have a loan from Palmer National Bank?

A No.

Q You indicated earlier, that you had paid Bruce Cameron $10,000 in late January of 1986 in order to perform lobbying and consulting services for IBC, is that correct?

A No. What I said was we paid Bruce to do a legislative analysis of the prospects for aid to the freedom fighters on Capitol Hill, and to provide advice and counsel to Mr. Channell and us. And to all the people involved in the Central American Freedom Program.

Q Thereafter, you've indicated he was paid directly by Mr. Channell after that?

A Yes.

Q I think you said because that was the way that Spitz wanted it?

A That's correct.

MR. OLIVER: I'd like to ask the reporter to mark this as Miller Exhibit 32.

[The document referred to was marked as Miller Deposition Exhibit No. 32 for identification.]

MR. OLIVER: I'd like the record to indicate that this is a memorandum dated January 9, 1986 from Rich Miller and Frank Gomez to Spitz Channell, subject, "Freedom Program," bearing the identification number 2139, which I believe was produced by Mr. Miller's counsel.

BY MR. OLIVER:

Q I'd like to ask you to examine that document, Mr. Miller, and ask you if you recall seeing it before?

A I do.

Q Did you draft this document?

A I did. Well, one of us, Frank or I drafted it.

I've forgotten which.

Q Does this document refresh your recollection as to how Mr. Cameron came to be an employee of Mr. Channell's?

A It doesn't need to. It's consistent with what I told you a moment ago, and from previous testimony. I believe the confidential source we're talking about is probably Penn Kemble, and the general description is what I had indicated in previous testimony about his having been ostracized by his colleagues on the left. Ten thousand dollars. Although I think in that paragraph, we did not handle it exactly in that manner. I think he formed his own organization.

Q Why did Penn Kemble need to be referred to as a "confidential source" in this memorandum?

A I can't tell you why. I mean, it doesn't have any particular significance.

Q Is it possible that the confidential source was someone else?

A I don't think so.

Q You're sure that it was Penn Kemble?

A Because the subject matter is his dire need for a job, and I only remember discussing that with Penn Kemble.

Q Subsequent to this memorandum, did Spitz Channell give a grant to PRODEMCA for this purpose?

A No. I don't believe so. What Channell decided to do was to have Mr. Cameron first produce a legislative analysis and he did, and then subsequently, Mr. Channell gave money directly to an organization that Mr. Cameron headed up, whose name escapes me right now.

Q Was that CDEA, the initials CDEA?

A I believe--at least CDA is part of the acronym, but I don't remember an "E" in it. But something like that.

Q Did you know that that organization was previously headed up by Rob Owen?

A I didn't know that until about three or four months ago.

Q Do you know how Bruce Cameron came to know Rob Owen?

A I don't.

Q Did you have anything to do with Rob Owen turning over his organization to Bruce Cameron?

A No.

Q Did Colonel North know that you were recommending to Spitz Channell that Bruce Cameron be hired as a lobbyist?

A I don't believe I told Colonel North.

Q You indicated earlier in your testimony that you remembered a $60,000 check from a Mr. James MacAleer, is that correct?

A I remember a $60,000 check and the entry in my checkbook is for MacAleer, in the check register is for MacAleer, and that's all I recall. But it was facilitated by

Colonel North. The money came in and went out immediately. But my recollection of MacAleer is only from my check register.

Q When you say it was facilitated by Colonel North, what do you mean?

A He told me that there was somebody who wanted to give $60,000, asked me if we could put it into INSI. I agreed, told him that INSI would have no administrative overhead associated with it, and would pass it immediately back out, which we did.

Q Did you ever talk to Mr. MacAleer?

A Not that I recall.

Q How did you get the check?

A I don't remember how I got it.

Q Do you recall whether or not you endorsed the check?

A I would have had to have for it to be deposited into INSI's accounts.

MR. PRECUP: Excuse me. I don't believe we've established, for the record, whether it's a check or a wire transfer, or some other form of funds, so perhaps you--

BY MR. OLIVER:

Q Did you receive a check in the amount of $60,000?

A We received $60,000. I'm not clear, in memory, whether it was a check or a wire.

Q What did you do with the $60,000?

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A We put it into the account for INSI, and as soon as it was available we transferred it out, and I think it was over the course of about three days. It stayed in the account for about three days.

Q You earlier indicated that Colonel North had called you and asked you to contact Roy Godson, or told you that Roy Godson was going to contact you about a contribution in the amount of $100,000, is that correct?

A No. He told me that I should contact Roy Godson about a contribution. I didn't learn the amount, I don't think, until I actually saw the--at least the letter from Heritage Foundation--and it may not even have been until I actually saw the check.

Q You indicated that you were told by Mr. Godson that he had a contributor who wanted to contribute to the support of the democratic resistance in Nicaragua, is that correct?

A That's correct.

Q When he told you that, what did you suggest that he do at that point?

A My initial suggestion was that he provide it to Mr. Channell's organization.

Q Why?

A Because Mr. Channell was in the business of raising money, and it was natural for me to do it.

Q I believe this took place some time in the fall of

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1985, at least in that general time period according to the bank records, and the correspondence that we examined earlier.

This was some t[redacted] Spitz Channell and Dan Conrad that these contributions should be handled by IBC. So why would you not just [redacted]im to give the contribution to IBC, and save the step, because I believe Channell [redacted] costs, or something li[redacted] that?

A First of all, [redacted] your 20 percent assertion on [redacted] Chan[redacted] like the appropriate thin[redacted]

Q Did he t[redacted] give the money to Mr. Channell?

A I only remember him vaguely indicating that it was a political matter. In other words, that Mr. Channell was not politically acceptable to whomever his donor was.

Q Did you ever learn who his donor was?

A To this day, I don't know who the ultimate donor was. I've always assumed it was the Heritage Foundation itself.

Q Did you ever talk to Ed Feulner about this contribution, prior to receiving a letter from the Heritage Foundation?

A I don't specifically remember a conversation with Ed Feulner.

Q . Is it your recollection that the first contact that you had relating to this contribution, after your meeting with Mr. Godson, was a letter form the Heritage Foundation requesting a proposal for a grant?

A That's my best recollection on it, yes.

Q [illegible]d you produce that letter for the Committee?

A The one written to Heritage Foundation?

Q The one that was written to you from the Heritage Foundation.

A Yes. I believe so.

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Q Let the record show that we have not received any such letter.

A Well, let me put it another way. I've given you every record I have, so if you don't have it--

Q Well, your recollection is that there was a letter, and after you received this letter from the Heritage Foundation, or you were contacted by the Heritage Foundation--it's possible it might have been a phone call--but you were contacted. What did you do at that point to facilitate this contribution, or this grant?

Did you contact Roy Godson?

A I'm sorry. You've lost me in the timeframe.

Q Well, Colonel North called you, you met with Roy Godson. Colonel North called you, you met with Roy Godson, he said he had someone who wanted to contribute to the democratic resistance in Nicaragua. You suggested Spitz Channell. He said he didn't want to give the money to Spitz Channell, and the next thing you knew, you were contacted by the Heritage Foundation?

A No. I had a subsequent conversation with Colonel North and told him that we could accept it into INSI, but that that was a significant risk for the organization and we were going to take a 20 percent overhead charge from the grant. He agreed.

I then went back to Mr. Godson, either by phone or in meeting--i can't remember which--and gave him the Institute for North-South [redacted] by the Heritage [redacted]tion.

Q All right. Why was it a significant risk for INSI?

A Well, you only have to read recent news accounts of the demise of the Institute for North-South Issues to know why it was a significant risk. It was a fatal action by INSI, and we felt that there was considerable risk to the organization and it should be compensated for it, and I believe we were correct.

Q Why did you not take such compensation from the $60,000 contribution from Mr. MacAleer?

A We did it solely as a favor to Colonel North, and we told him when we did it, that it was the last time that we would do it, and we didn't want to do any more such transfers through INSI.

Q But you didn't take a cut out of that contribution?

A That's correct.

Q The $20,000 that you took out of the contribution that came through the Heritage Foundation, did that just go to general overhead for INSI?

A Overhead and salaries, and some printing, and so forth. It doesn't [redacted] long to eat up $20,000 in a 501(c)(3).

Q So you received a check in the amount of $100,000, which I believe was reflected in an earlier document.

MR. PRECUP: It would be convenient to point out now, Mr. Oliver, that what you've just examined was the copy of the Heritage Foundation letter from Mr. Feulner bearing our identification number 53036. It was, indeed, produced in response to subpoenas, and there is the copy.

MR. OLIVER: We've discussed this letter earlier, which is one that you had produced, and the letter says, "Thank you for your letter of September the 12th, 1985."

It says, "My colleagues and I have discussed your proposal in some detail and are pleased to respond in a posit[redacted]t. Therefore, I am enclosing a check from the Heritage Foundation in the amount of $100,000 as you requested in your letter. We would appreciate receiving reports from you as to the uses to which these funds have been put. I would also like to have a copy of your tax-exempt letter. It is our assumption, of course, that all of these funds will be used in accordance with the stated purposes of your 501(c)(3) organization. Best wishes, Ed Feulner."

The letter was addressed to you.

BY MR. OLIVER:

Q Had you discussed that letter before Mr. Feulner sent it to you?

A Discussed it with who?

Q With Mr. Feulner.

A Discussed that letter before Mr. Feulner sent it to me?

Q Yes.

A I don't recall discussing it.

Q But you had sent him a proposal on the 12th of September, is that correct?

A That's consistent with what I remember, or we sent him some form o[redacted]proposal.

not for assistance to the democratic resistance, was it?

A No. It was a more generic statement that had to do with increasing information and news capacity of organizations in Central and Latin America.

Q But you knew that wasn't what the money was really for, didn't you?

A No. I still contend, to this day, that that money was spent at that time, I felt, for activities by the political entities [redacted]

Q How did you know it was for [redacted]

A Well, I knew Colonel North was both attempting to assist [redacted]

Q Did Mr. Godson--

A I would also point out, in addition, that at that point, Lake Resources, to my way of thinking, was an account that Adolfo Calero was the beneficiary of, and his political organization was the beneficiary of. So it was general support for them, and one of the things we were trying to get them do more efficiently was provide information, and provide public-affairs education efforts here, in the United States, and overseas.

Q So did the money from this grant go to Lake Resources?

A Some of the money from this grant went to Lake Resources. That's correct.

Q How much?

A It's very difficult to give it a specific figure, but in the short period of time after that grant was depositec in IC, Inc., money was transferred to Lake Resources--I think $48,000--and I think there was $60,000 that was transferred to [redacted] accounts subsequent to that [redacted]

MR. OLIVER: I'd like to ask the reporter to mark this as Miller Exhibit 33, and ask you to examine the document marked by the reporter.

[The document referred to was marked as Miller Deposition Exhibit No. 33 for identification.]

BY MR. OLIVER:

Q Is this the proposal that you sent to--I'm sorry, counsel.

MR. PRECUP: Please, Mr. Oliver, continue. I'm sorry.

BY MR. OLIVER:

Q Is this the proposal that you sent to Dr. Feulner on September the 12th, 1985?

A That looks like the proposal I sent him, yes.

Q The proposal is two pages long, and there are other attachments to it, some of which have already been entered as exhibits. It appears to me, in examining this proposal, Mr.

Miller, that this doesn't indicate that any money is going to [redacted]

Did you indicate to the Heritage Foundation, in discussing this proposal, that behind this proposal was an effort to help [redacted]

A Well, your second word up here is, the optimum word in your question--you can read it in specific terms, if you want. I read it in very general terms. "The dissemination in Central America of materials designed to educate the public on the political and economic realities of the United States' policy objectives."

[redacted] the political entities associated with the Nicaraguan resistance. "A program of public information on the Central American view of the United States' foreign and economic policy, and how it relates to the political and economic future of Central American countries." That covers a whole host of activities that were conducted over that two-year period with the political entities associated, including trips by them to Europe, to other Central American countries to speak to press; a conference in Europe which was widely covered in the press.

"Collection and analysis of data in the first two phases will be completed prior to a conference." There never was a conference.

Q Was there dissemination in Central America of materials designed to educate the public on the political and economic realities of United States' policy objectives that was paid for by the grant from the Heritage Foundation?

A I am positive of that.

Q Did you do it?

A No. But I can assure you that Alfonso Robelo's organization [redacted] Adolfo Calero's organization [redacted] [redacted] have all widely disseminated U.S. foreign-policy objectives to both the press, and to their fellow Central Americans, and to people in the general world.

Q So why was it risky for you to take this grant? Why did this lead to the demise of INSI?

A Because this area is Central America, and Latin America is very sensitive to this issue, and organizations that are directly associated with resistance, the democratic resistance, don't fare well with other organizations.

Q This proposal doesn't indicate that there's anything related to the democratic resistance in this program any more than there is any indication that it relates to [redacted] [redacted] So why would it be risky to accept and perform this grant, for INSI?

A I think I've already answered your question.

Q Well, isn't it a fact, Mr. Miller, that you actually didn't perform this activity on behalf of the

Heritage Foundation grant?

A We provided grants to people who performed these activities.

Q Isn't the case, Mr. Miller, that when you received the $100,000 check, that you kept $20,000 for risk, or overhead, and sent $80,000 to the IC account in the Cayman Islands?

A That is correct.

Q Did Mr. North direct the payments from the Cayman Islands' account?

A Yes.

Q Did you know where all those payments were going?

A Yes, eventually, all of them, those associated with this. Yes.

Q Where did the $80,000 go?

A Well, as I pointed out to you a moment ago, I believe $48,000 went to Lake Resources. I know $20,000 went to [redacted] and $40,000 went to [redacted]

Q So you knew all of the entities into which the money was being directed by Colonel North, and you knew the purpose of those transfers?

MR. PRECUP: I don't think that was the witness's testimony.

THE WITNESS: At that point in time, we knew [redacted]

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[redacted] accounts were [redacted] accounts when we transferred them. We knew that Lake Resources was an account to benefit the organizations of Adolfo Calero.

MR. PRECUP: Gentlemen, it is 6:30, and as you all know, Mr. Miller has been up since five this morning, and we've been at it here since nine. I would like very much to call it a day.

MR. OLIVER: If you would like to recess this, when would you like to --

MR. PRECUP: I'm not prepared to discuss that at this hour. I'm tired myself.

MR. OLIVER: Well, I am not prepared to adjourn the deposition until we determine whether or not we can continue with it at a later time, Mr. Precup.

MR. PRECUP: Well, I'm not --

MR. OLIVER: There are still a lot of questions that certainly need to be asked.

MR. PRECUP: I am certain there are. Please call me tomorrow, will you?

MR. OLIVER: Are you leaving?

MR. PRECUP: Yes, sir. As I said some hours ago, in fact we said this morning that we would go to 6:30.

MR. OLIVER: We indicated that we wanted to complete this deposition, and it's not complete, Mr. Precup.

Well, I still have a number of questions to be asked.

MR. PRECUP: I'm certain that you do. How much more time do you want, Mr. Oliver?

MR. OLIVER: Well, I don't know, Mr. Precup, because some of the answers are a little bit confusing. And in order to try to clarify the record, I'm trying, since we're seeking to complete this deposition, to clarify them completely so that we won't have to have another session.

MR. PRECUP: Well, I think the process is inherently interminable to treat it that way, Mr. Oliver.

But my only position now is that my client is so tired that he is unable to respond directly to your questions because he has been at it since 9 o'clock this morning. He is in no condition to proceed.

MR. OLIVER: I am perfectly willing to recess this deposition, and I would just like to ask you when you would be prepared to resume this deposition?

MR. PRECUP: As I told you, I cannot give you an answer to that at this late hour with my client in the tired state he is in. I cannot even confer with him meaningfully on that topic.

MR. OLIVER: But it is your understanding that this deposition has not been completed and will have to be completed at a subsequent time?

MR. PRECUP: I will not respond to that question.

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Will you give me some indication of how much more time you think you will need with this witness, and perhaps I can respond to you rationally.

It is an open-ended invitation, where time after time we have been -- I don't mean that this is directed at you, it's not, but the time has taken much more than it was ever anticipated with each question session.

If you will give us a commitment to a time, we can talk. If you will not, then --

MR. OLIVER: Mr. Precup, I am not prepared, nor do I have the authority to adjourn this deposition until it has been completed.

I can assure you that I will attempt to ask questions [redacted] expeditious a manne [redacted]

I indicated to you earlier today that if your client was tired, I would be happy to recess this deposition until tomorrow or until a later time. But it is our desire, as it is yours I believe, to complete this process as soon as possible.

What concerns me is that you seem to be indicating that you are not willing to recess this deposition and set a time for it to be continued.

MR. PRECUP: Well, you're free to draw conclusions, you will draw --

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MR. OLIVER: I am perfectly willing to adjourn this deposition on the understanding that it has not been completed and will need to be completed at a subsequent time.

MR. PRECUP: I understand what you have said, sir. I think you've understood what I am saying.

I'm not sure who has the power to adjourn or to terminate these depositions, and it's something I don't care to look into.

MR. FRYMAN: Can we go off the record?

(Discussion off the record.)

MR. OLIVER: This deposition is adjourned until 1 o'clock tomorrow afternoon in Room SH-901 of the Hart Building, in order to complete the deposition of Mr. Richard Miller.

[Whereupon, at 6:40 p.m., the taking of the deposition adjourned, to reconvene at 1:00 p.m., Wednesday, September 16, 1987.]

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CERTIFICATE OF NOTARY PUBLIC

I, Ronald Meek , the officer before whom the foregoing deposition was taken, do hereby testify that the witness whose testimony appears in the foreoing deposition was duly sworn by me; that the testimony of said witness was taken by me stenographically and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

Ronald Meek

Notary Public in and for
the District of Columbia

My commission expires June 14, 1988.

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by D. Sirko, National Security Council

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SELECT COMMITTEE TO INVESTIGATE COVERT
ARMS TRANSACTIONS WITH IRAN
U. S. HOUSE OF REPRESENTATIVES
AND
SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION
UNITED STATES SENATE

- - -

Wednesday, September 16, 1987
Washington, D. C.

Continued Deposition of RICHARD RODERICK MILLER taken on behalf of the Select Committee above cited, pursuant to notice, commencing at 1:10 p.m., in Room 901 of the Hart Senate Office Building, before Ronald Meek, a notary public in and for the District of Columbia, when were present:

For the House Select Committee:

THOMAS FRYMAN, ESQ., Staff Counsel, Senate
SPENCER OLIVER, ESQ., Associate Staff Counsel, House
VICTOR ZANGLER, ESQ., Associate Staff Counsel, House
KEN BUCK, ESQ.,
BERT HAMMOND, ESQ.
HENRY J. FLYNN, U. S. Senate Investigator

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For the deponent:

RONALD G. PRECUP, ESQ.,
Nussbaum, Owen & Webster
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Washington, D. C. 20005

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PROCEEDINGS

MR. OLIVER; Good afternoon, Mr. Miller, I hope you have gotten a little rest.

This is a continuation of deposition that was recessed yesterday afternoon. When we recessed yesterday, we were talking about IBC contracts with the State Department.

Off the record.

(Discussion off the record.)

MR. OLIVER: When we recessed yesterday, we were talking about IBC contract with the Department of State, and there was some confusion over the nature of, or the status of those contracts, between the time of your initial proposal and the ultimate signing of the final contracts. And I just wanted to ask you to clarify what your understanding was of the status of that contract, between October the 1st, 1985 and September of 1986, when the contract, the one that we have as an exhibit here--

Off the record.

MR. OLIVER: All right, back on the record.

Whereupon,

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RICHARD MILLER

having been previously duly sworn, was recalled as a witness and was examined, and testified further as follows:

THE WITNESS: We were told by the Administrative Officer and the Program Officers that the contracts had been

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under [illegible] E.O. 12356
by [illegible] Security Council

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forwarded through the Executive Secretary structure and Management Offices, and approved, and had gone on to the Contracts Office. I can't tell you that I for sure had seen a contract for that date with a Contract Officer's signature, or with a signature from, what they call M, their Management Office, but we were told that they had proceeded through both of those stages, on two separate occasions.

XXX

CONTINUED EXAMINATION BY ASSOCIATE STAFF COUNSEL
FOR THE HOUSE OF REPRESENTATIVES
BY MR. OLIVER:

Q Did you subsequently learn that there had been some problems with the Contracts Office?

A We were told that when it left M, the Management Office, and went to Contracts, Contracts determined that it was not in the proper form, and needed to be written as a cost-plus fixed fee, and that would entail a DCAA audit, we then undertook in conjunction with the DCAA auditors.

Q What are they?

A I think they were State Department auditors.

Q What is the DCAA?

A DCAA is the Defense Contracts Audit Agency.

MR. OLIVER: I would like to enter as Miller Exhibits 33--34, and ask the reporter to mark them, a set of documents which contain correspondence from the Defense Investigative Service to the Department of State, and from

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the Department of State to the Defense Investigative Service.

XXXX

(The documents referred to were marked for identification as Miller Deposition Exhibit No. 34.)

BY MR. OLIVER:

Q I would like to ask the witness to look at those documents. Have you ever seen those documents before, any of those documents?

A Not to my knowledge.

MR. OLIVER: Off the record.

(Discussion off the record.)

MR. OLIVER: Back on the record.

BY MR. OLIVER:

Q As I was saying, these documents seem to reflect difficulties which the Defense Investigative Service was having in 1986 in finalizing a facility security clearance for IBC. Some of the documents indicate copies to International Business Communications, Miller Communications and Gomez International. I would like to ask the witness to look at them once again, to see if he recalls whether or not he received copies of these documents, which were dated March 18th, 1986.

A That's not the question you asked me earlier.

Q May 6, 1986; June 3rd, 1986; July 30th, 1986;

November 17th, 1986. My question was whether you recall ever having seen any of these documents.

A And my answer was that I don't recall having seen them.

Q Do you recall difficulties with the Defense Investigative Service during the spring and summer of 1986?

A Yes, I recall two, in particular.

Q What were those difficulties you recall?

A Well, they attempted to call Mr. Gomez, and he was out of the country, and when he did not return their phone call for about a week, they notified the offices that he was not in compliance with their attempts to get in touch with him, and they broke off the investigation.

In another instance they demanded of us a partnership agreement, and any first year law school student in the District of Columbia knows that you don't have to have a partnership agreement to be a partnership in the District of Columbia. And they insisted that we were not a formal partnership under the District of Columbia laws, and therefore couldn't be a partnership, and they refused the investigation again. It was only after the direct intervention of our attorneys with their legal counsel that we were able to make them understand that that was the law, and they subsequently went forward, after having broken off the investigation at least twice. The first time I think because of the phone

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contact, and the second time because the documents that we couldn't provide were documents that didn't exist, and weren't legally required to exist.

For something more technical than that, you will have to talk to our CPA and attorney.

Q Do you remember being notified that you had been granted an interim secret security clearance?

A I do.

Q Do you recall what date that was, approximately?

A I believe it was July.

Q Before we go on, I would like to indicate that we would like to finish this deposition in as short a period of time as possible, and it is my intention to limit my questions to an hour, certainly no more two, and I hope that we can finish this deposition by 4:30 at the latest, so we will try to proceed as expeditiously as we can.

MR. PRECUP: Thank you. I appreciate that, Mr. Oliver.

BY MR. OLIVER:

Q Mr. Miller, I have some follow up questions to some of the questions that were asked by Mr. Fryman yesterday, so if it seems like I am skipping around it is because I have gone through the notes at various stages of yesterday's deposition.

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You had indicated that you formed a company called

RAM, I believe, in 1980, is that correct?

A In 1980, that's correct, yes.

Q Did that company have any relationship with the Robert Goodman Agency?

A No.

Q We were discussing the IC, or INTEL Corporation account in Cayman Islands earlier, I believe you indicated that the normal procedure for the disbursement of funds from that account would be for Oliver North to direct you to transfer money to a bank account, and/or an entity. Did he tell you what the purpose of those disbursements were?

A In some instances.

Q In some instances he did not?

A That's correct.

Q But you transferred the money as he directed, whether you knew what the entity was it was being transferred to or not?

A That's correct.

Q So he could have transferred that money for the purpose of which you had no knowledge?

A That's correct.

Q I believe you also indicated earlier that you did a study at the request of Mr. Channell of organizations in the United States, organizations and individuals in the United States, who were supporting the Sandinista regime, is that correct?

A I reported to you that I did a White Paper for Mr. Channell, a draft of a White Paper for Mr. Channell, and it was on organizations who were supporting left wing radical governments or organizations, yes.

Q It was not related directly to the Sandinista regime in Nicaragua?

A It's a general discussion of leftist groups and their involvement with radical governments and organizations. It involves the Nicaraguan Government, but it also involves groups in El Salvador, and foreign Communist Party organizations.

Q When did you do that White Paper?

A It was transmitted to Mr. Channell on April 12th.

Q Of this year?

A That's correct.

Q Do you know for what purpose he wanted you to produce that document?

A Yes.

Q What was that purpose?

A He had spoken to several of his contributors about the need to continue and fortify his efforts at public education of the Communist threat to the United States. He relied in those appeals on a book called The Directory of International--I have forgotten the exact title of it, but it is a fairly lengthy document, about three inches thick, published by Common Cause, and he wanted something more in depth, and asked us to undertake it. His objective was to be able to show it to contributors, as evidence to them that they needed to redouble their efforts to educate the public.

Q Do you know whether he ever used the document for that purpose?

A I don't know, I turned over the three original copies to him, and I have not heard since, what he did with them.

Q You didn't maintain a copy at IBC?

A I maintained a copy of the principal body of the report, I did not maintain a copy of the appendices, which are about six inches worth of materials.

Q Was that, the document you maintained, produced for this Committee, in the documents that your counsel turned over to this Committee, in April or May?

A I don't believe so.

Q Why not?

A I am not sure it was called for under the subpoenas.

Q But the White Paper was paid for by Spitz Channell?

A That's correct.

Q Mr. Miller, who is Curt Windsor?

A He is a former Ambassador to Costa Rica, and that's about all I know about him, actually.

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Q Did you ever meet Mr. Windsor?

A Yes, I met Mr. Windsor.

Q When did you first meet him?

A I met him once only, and that was at the offices of former Congressman Kuykendall, and it was a meeting to discuss the prospects for renewed assistance to the Nicaraguan Freedom Fighters.

Q Did he ever make a contribution to INSI, or IC?

A I don't believe he made a contribution to IC, I don't recall getting a contribution to INSI.

Q Do you ever recall receiving a check from Mr. Windsor, for any purpose related to IC or IBC or INSI?

A We helped secure a grant for Woodie Jenkins' organization through the Donor Foundation, which Mr. Windsor is a member of the Board of Directors of, but I can't recall anything beyond that.

Q You indicated earlier that there were two films that you participated in the production of. I think you referred to one as the Wesley Smith film, and then there was another one that I believe was produced by Tony Zumbado, or directed by Tony Zumbado. Were there in fact two films?

A There were actually three films, and you have got the author and Production Directors transposed. There was a film produced by Dr. Joachim Maitre, and directed by Larry Young, which was subsequently [illegible] and edited down to

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a shorter version by Robert Goodman and his production staff.

And then there was a second film, which was titled "Bitter Legacy," which was produced by Wesley Smith and Kemp Enterprises. And the camera crew that shot it were employees of Tony Zumbado.

Q And what was the third film?

A I just described all three of them.

Q The shortened version of the first?

A Oh, the shortened version of the first, we distributed all three of them, the long version, the short version, and Wesley Smith's film.

Q What was the source of funds that was employed in making these films, who paid for them?

A NEPL.

Q All three films?

A All three films.

Q Who is Joachim Maitre?

A Joachim Maitre is the, I think now, Dean of the School of International Studies at Boston University, or maybe International Relations.

Q When did you first meet him?

A I met him when he was one of the Gulf and Caribbean scholars.

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Q What was he doing as a Gulf and Caribbean scholar?

A He went to Central America, along with Elie Wiezel, for an exploration the Mosquito Indian problem, which produced Mr. Wiezel's well publicized article in the LA Times News Syndicate and Le Matin, and subsequently with the French Government. He also took a separate trip with Max Singer to El Salvador and Honduras and Costa Rica. I believe they went to Costa Rica, I am not sure of that.

Q Who is Christina Guillen?

A Christina Guillen? It doesn't strike a familiar note, I am sorry.

Q Was there somebody named Christina who worked for IBC?

A There was a--there may have been. The name, you can show me the name, maybe I can remember it more fully.

Q You indicated yesterday that there was a need, Colonel North thought that there was a need for insulation between Spitz and the Resistance, and this was why IBC was sort of brought in for the purpose of transferring the money to the Resistance, is that correct?

A I don't think I said that yesterday, but I have said that in the past.

Q Do you know why he wanted insulation between Spitz and the Resistance?

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A He did not want the Resistance bugging people who were providing money, for new money. And that happened to be a feeling shared by Mr. Channell. He also had been recently involved with the Nicaraguan community, and he understood the needs were very great, and if they were used to him as a donor, that they would come back to him repeatedly, and be soliciting his people directly, and he didn't want that.

Q Well, weren't the Resistance leaders aware that Spitz Channell was raising money on their behalf?

A Generally, but I can tell you for a fact that they didn't know the proportion, until I informed them of it, very late in 1986.

Q Did Colonel North ever indicate to you, after, or approximately at the time of the Nicaraguan refugee fund dinner, in 1985, that Eddie Frazer had indicated to him that there were some big contributors who would be willing to give large contributions to the Resistance, if they could meet with the President of the United States?

A No, he never told me that.

Q Did he ever indicate to you that Spitz Channell, that he knew of Spitz Channell, and Spitz Channell's desire to raise money for the Resistance, prior to the phone call that you received from John Roberts?

A No.

Q Did you discuss with him the phone call that you had received from John Roberts about Spitz Channell, after you had met with Mr. Channell and Mr. Conr

A I may have, but it was a political matter, and I

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didn't discuss it with him, I don't think.

Q Do you remember whether he indicated that he knew of Spitz Channell or Dan Conrad, at that time?

A I don't recall.

Q Do you know Ken de Graffenreid?

A No, I don't think so. Is that his only name?

Q As far as I know.

(Laughter.)

BY MR. OLIVER:

Q You indicated, in response to a question earlier in this deposition by Mr. Kaplan, that you did a variety of services for NEPL and Spitz Channell's organization, and among that list you indicated that you had been engaged in lobbying on his behalf. What kind of lobbying did you engage in on behalf of Mr. Channell?

A We hired, or attempted to hire, in some instances, or sought the counsel of paid lobbyists, and I think, if I am recalling the passage that you are referring to, it was a general recitation of our responsibilities under the NEPL Central American Freedom Program, and other programs, some of them being far more prone to lobbying activities than the Central American Freedom Program was.

Q But IBC itself did not directly engage in any lobbying, is that correct?

A That's correct.

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Q You indicated that Colonel North had told you to get in touch with Robert Kagen at the State Department, regarding arrangements for setting up the UNO Office in Washington, is that correct?

A That's correct.

Q Do you remember when that was?

A Sometime in 1986, but it would have had to have been slightly prior to the first rent payment to that landlord, and I don't have the records in front of me, so I can't give you the exact date.

Q Was that the first time you had met Mr. Kagen?

A No, I don't think so, I think I met him before that.

Q Was he the Coordinator of LPD at that time?

A I don't know whether he actually had that formal title at that time, but I think he was serving in that role.

Q So during that time he was also responsible for the oversight of the contract with IBC?

A That's correct. Well, I should say again that I don't know whether the time lines overlap, if he was, and I guess he was.

Q Did he know what the source of the money for the UNO Office was going to be?

A No.

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Q But he knew that your role was to provide funds for that purpose?

A And direction to the UNO staff, in setting up the office.

Q Did Mr. Kagen participate in the direction of the UNO Office, through you?

A I think Mr. Kagen was an informal counselor to the UNO Executive Director in the process.

Q Did he ever learn, to your knowledge, that the money for the UNO Office came from funds that had been raised by Spitz Channell?

A I can't answer your question, I have no idea.

Q But to your knowledge, he did not know where the money came from?

A To my knowledge, no.

Q We discussed earlier the contributions that were made by IBC and IC to the Latin American Strategic Studies Institute, which was Father Dowling. Other than transferring the money at Colonel North's direction to LASSI, did you have any other dealings with Father Dowling?

A Yes.

Q What were they?

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A We talked regularly on the telephone. We met on occasion, we tried to keep each other informed of activities within the Nicaraguan community, and we provided materials to each other, and he provided a proposal for this resource book

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which I produced to the Committee, a subsequent copy of it when it was produced.

Q Were you aware that he was not a regular Catholic Priest?

A I can't answer that question, because I am not Catholic, and I am totally unschooled as to what a regular Catholic is.

Q Did you think that he was a Catholic Priest?

A I still do.

Q Did you have any knowledge, or any participation in the arrangements which were made for Father Dowling to appear and testify before a Congressional hearing?

A I don't recall having any involvement in that, no.

Q Did you know about it?

A Only when I read about it in the paper. If I knew about it before, I had forgotten about it.

Q You indicated that one of the reasons that World Affairs Counsellors, Inc. was set up was to do more with political movements in international foundations, is that correct?

A I don't recall saying that exactly.

Q Was its purpose to do more with international foundations in political movements?

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A It was designed to do more business internationally for IBC, but beyond that, I speak in generalities, but that

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about covers it.

Q Did Colonel North ever discuss with you the establishment of an international foundation?

A No.

Q Did he ever discuss with you, or you with him, asking Roy Godson to provide advice to Spitz Channell on how to set up an international foundation?

A Not that I recall.

Q Did Spitz Channell ask you, or anyone else at IBC, to obtain information about how to set up an international foundation, or establishing an international foundation?

A Not that I recall.

Q What was your business relationship with Dan Kuykendall, between December of 1986 and June of 1987?

MR. PRECUP: I am sorry, could I have the dates again, I missed them?

MR. OLIVER: December of 1986 and June of 1987.

THE WITNESS: Aside from mutual, each of us owning stock in the same corporation, we had no business dealings. We had no business relationship, I don't understand your question, I guess.

BY MR. OLIVER:

Q You did not receive funds from him, he did not receive funds from you?

A In that period --

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Q That were obtained by the Gulf and Caribbean Foundation, or --

A Not in that period, no.

Q Were both of you retained by Spitz Channell in that period?

A I know I was, I don't know whether Dan was.

Q So you didn't work with Dan Kuykendall on any projects that related to Spitz Channell's activities?

A Yes, we did have meetings with Dan Kuykendall, but whether he was paid for those meetings, I am not sure.

Q What was the purpose of those meetings?

A General strategy discussions.

Q Strategy for what?

A For Mr. Channell's organizations, political strategies, political realities in Washington, Congress, the Administration.

Q Did they relate to this investigation?

A No, I have never given him advice in regards to this investigation.

Q Do you know whether Mr. Kuykendall gave him any advice related to this investigation?

A I don't know.

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Q Were you ever aware of a period of time in which Oliver North, or someone on Oliver North's behalf, was supposed to raise $400,000 during a specific period of time.

for the resistance in Nicaragua?

A I guess I will say I don't know, I don't understand the question.

Q You never hear Ollie, the term "Ollie's 400 K" referred to, in any of your discussions with Spitz Channell?

A That doesn't strike a familiar note.

Q You indicated in your testimony earlier that there was, and I am quoting from the transcript, "there was some word in the diplomatic community there was going to be some kind of a public relations effort for one of the other resistance movements, and I think it was Afghanistan." Where did you hear that?

A I don't remember, specifically where I heard it.

Q But you went and talked to Oliver North about it?

A Yes.

Q And what did he tell you?

A He said he didn't know anything about it. We didn't have a very long conversation that day, any way.

Q That was the day that he indicated to you that he was going to show you how a covert operation was set up, and then he got a phone call?

A That is correct.

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Q You indicated earlier in your deposition, at some point, that you were in Oliver North's office when he was discussing on the phone with someone, whose identity you did not learn, that some money was needed for the two fliers that had been killed in then Hausenfauss crash in Nicaragua. Do you recall that conversation?

A Yes.

Q And you volunteered to Colonel North that you could provide, that the funds were available, and that you could provide them, is that correct?

A Yes.

Q Did you cause a phone call to be made to Mr. William Walker at his home regarding the transfer of those funds?

A I don't believe so. Colonel North may have made such a phone call, but I don't recall my causing it to happen.

Q How did you find out what State Department account to send the money to

A Colonel North took it down, in my presence, and gave me the information. It wasn't an account, either, it was just a bank.

Q Do you know how Mr. Walker was notified that the money was coming?

A No.

Q Do you know whether or not he was notified?

A No.

Q When you went to Europe with Al Masoudi in 1985, did you have any involvement in the attempt to secure him a passport, through the American Embassy in Bern?

A Not that I am aware of.

Q Did you know that he was attempting to secure a passport through our Embassy in Bern?

A A U. S. passport?

Q Yes.

A No, I am not aware of him trying to secure a U. S. passport.

Q Any passport?

A I don't recall him trying to secure a passport through the Embassy in Bern.

Q Do you know whether or not Mr. Dwyer, whom I believe you indicated was traveling with you, attempted to secure a passport for him through the American Embassy in Bern?

A Mr. Dwyer arrived in Geneva after I had left. And I don't recall Mr. Dwyer telling me about an effort to secure a passport at the Embassy in Bern.

Q I believe you indicate earlier that you were working out of Oliver North's office, at the direction of Jonathan Miller, is that correct?

A There was about two day's worth of activities, some of which we carried out at Oliver North's [illegible] at Jonathan Miller's direction.

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Q What did that work involve?

A Securing media appearances for the three leaders of the Nicaraguan opposition, on the occasion of their coming to Washington to meet with the President.

Q This was part of your duties as a contractor with the State Department?

A Well, I don't think we billed the State Department for that time, nor did we report it as a State Department activity. I don't think we considered it, even though I guess we could have, but don't think we considered it appropriate State Department activity.

Q Was Jonathan Miller an official of the State Department at that time?

A Yes, I believe he still held the post, he was Deputy Director of that office.

Q He was the technical representative responsible for oversight of the IBC contract with the State Department?

A That is correct.

Q During that period of time?

A That is correct.

Q I would like the reporter to mark as Miller Exhibit Number 35 a group of documents which a Department of State Foreign Service Institute authorization for student training, dated September the 10th, 1984, and an invoice for payment for that training order and some excerpts from [illegible]

General's report, issued earlier this year, which refer to that contract.

(The document referred to was marked for identification as Miller Deposition Exhibit No. 35.)

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MR. OLIVER: I would like for the witness to look at that document and tell me if he has ever seen it before.

THE WITNESS: I have seen both documents before.

BY MR. OLIVER:

Q Did IBC perform the services that were to be provided in this contract

A It is our contention, and this is still under dispute with the Inspector General, that we performed the majority of these services, and we were only unable to perform the final portion of this contract because of circumstances in El Salvador.

Q Did you execute a series of mini seminars?

A Mr. Gomez is a better person to answer these questions, since he had responsibility for it, but I do recall him going to El Salvador with Ambassador Catto. And I do recall him going on his own, and I do recall us securing a large number of reference documents, and preparing Spanish language recommendations for the Government spokesmen and their personnel. And that's the basic recollection. And, of course, the Government spokesman was gunned down on the tennis court, and this matter was held. The contract was never finished because of that, the activities described were never finished.

Q Were you awere that Ambassador Catto told the Inspector General that he did not go to El Salvador during that period of time?

A No, I am not aware of that.

Q Do you know whether or not Ambassador Catto did go to El Salvador during that period of time, in performance of this contract?

A I am not sure, to be honest with you. As I indicated earlier, I remember those things, I remember Frank going to El Salvador, and I remember the materials being prepared. And I remember the spokesman being shot.

Q If you will look at page, it really is page 4 of this compilation, although it is not numbered.

MR. PRECUP: One of the contract pages, Mr. Oliver?

MR. OLIVER: Yes.

MR. PRECUP: There is no number at the top. How do we identify it?

THE WITNESS: It's different from yours.

MR. OLIVER: It is. It is the page which begins, in the typewritten text, "Lectures will remain the full two weeks."

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MR. PRECUP: We have such a page.

BY MR. OLIVER:

Q It indicates in there that, in the last paragraph, that it is understood that a seminar will be conducted in a climate of potential guerrilla and terrorist attacks in urban areas, and the nearby countryside.

Did anyone in the State Department raise a question about whether or not it was they should be contracting for seminars to be held in an area that had been identified as dangerous?

A I don't know.

Q Who negotiated this contract with the State Department?

A I believe Mr. Gomez did.

Q You did not participate in the negotiations of this contract?

A I don't recall what my exact participation was, I am sure I had some, but I don't--

Q Did you sign it?

A I think I have given you the substance of my recollection.

Q Did you sign the contract? I must say that the signatures apparently are missing, or have been cut off.

MR. PRECUP: I think that is a purchase order.

MR. OLIVER: Purchase order.

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MR. PRECUP: --which may not contain the contracted parties signature.

BY MR. OLIVER:

Q It indicates, on the top of the first page of the requisition, which is identified as page 1 of 4, that this-- Mr. Richard Miller's name appears, and his phone number appears there, as attention and phone related to this purchase order. And I don't believe that Mr. Gomez's name appears anywhere in this document.

But you don't remember negotiating the contract, and your belief and recollection is that Mr. Gomez was involved, is that correct?

A That's correct.

Q Has the Foreign Service Institute requested that you repay the amount of funds that you received for this purchase order, on the grounds that these services were not performed?

A We have not received such a request.

Q Do you know whether or not such a request has been made?

A I have no idea.

MR. OLIVER: I would like to have the next document marked as Miller Exhibit Number 36. and ask the reporter to mark it and show it to the witness.

(The document referred to was

marked for identification as Miller Deposition Exhibit No. 36.)

BY MR. OLIVER:

Q This is the text of a memorandum from Mary Norman--from Frank Gardner to Mary, Mary Norman, an intern at the State Department, a memorandum relating to the contract that IBC had with the State Department in fiscal year 1985. And it indicates the need for--or a request for an emergency payment of $12,858 to International Business Communications, in response to its bill dated 4-11-85.

Do you remember requesting an emergency payment in April of 1985 for IBC.

MR. PRECUP: Before the witness answers, Mr. Oliver, I note the somewhat unusual formulation of this document, it says "Text of Memorandum" and it appears from that to me that may perhaps be a transcription, and not the memorandum itself.

MR. OLIVER: That is correct. It is a transcription, because we were unable to obtain clearance for the full document at that time. But I aver that this is a correct and accurate reconstruction of the text of the memorandum.

MR. PRECUP: Well, your question was not to the memorandum--

MR. OLIVER: My question is not to the memorandum,

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because I am sure that Mr. Miller has probably never seen this memorandum before, but I wanted to show him the document from which I was going to ask the question, so that he would understand why I am asking this question.

BY MR. OLIVER:

Q And my question is, do you remember requesting an emergency payment in April of 1985?

A I don't think I have ever requested an emergency payment.

Q Do you remember asking Colonel North to intervene with the State Department on your behalf in the spring of 1985?

A I remember complaining to Colonel North that we were continually paid much past the completion of our assignments, and never at the outset, as agreed in the contracts, and he indicated that he would see what he could do.

Q Did he ever report to you that he had done anything on your behalf, in that regard?

A I don't remember him reporting that to me.

I would point out that the bill date is probably 11 days after the completion of a three month purchase order.

Actually, and that is a payment under the State Department contract of 90 some thousand dollars. And I think it was already late.

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MR. OLIVER: Off the record.

(Discussion off the record.)

MR. OLIVER: I have one further--one or two further questions relating to a question I asked you earlier, if I can find the document that I had referred to, so I will attempt to find that document, and turn the deposition over to Mr. Flynn and Mr. [redacted]

MR. FLYNN: I would like to call your attention, please, Mr. Miller, to Exhibit 29, page 10 of that exhibit, and the section that deals with the Calero progress text, and also within that paragraph there is just a notation of Calero, $20,000.

Disregarding the $20,000, is it fair to say that you received approximately $19,000 from Adolfo Calero?

THE WITNESS: I believe that is correct.

MR. FLYNN: And does that include the $10,00 he reimbursed you for the money you expended have the wounded young girl transferred to the United States?

THE WITNESS: I believe that is correct, also.

MR. FLYNN: Did Oliver North give you any traveler's checks, at all?

THE WITNESS: I don't recall receiving traveler's checks from Colonel North, and as a I have testified earlier, I was in a hotel room once when there was an exchange of a large amount of traveler's checks, of which I was the beneficiary of some of them, but I don't recall receiving traveler's checks from Colonel North.

MR. FLYNN: Who else was there when the traveler's checks were transferred?

THE WITNESS: Adolfo Calero, Oliver North and myself.

MR. FLYNN: Was it at this time that Calero gave any checks to North, do you recall?

THE WITNESS: Yes. Well, I am not sure who gave whom to whom, but I know there was an exchange of a large number of traveler's checks, and I remember I received some, as well.

MR. FLYNN: From Calero?

THE WITNESS: From whomever was disbursing them, but I think it was Calero giving Oliver North traveler's checks, but I am not positive of that.

MR. FLYNN: And you said you don't recall whether North had given you any checks at that time, or any other times?

THE WITNESS: I don't recall getting traveler's checks from Colonel North.

MR. FLYNN: Thank you. I have no further questions, Mr. Miller.

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MR. OLIVER: I would like to ask the reporter to mark Miller Exhibit Number 37, an invoice related to the

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final payment of IBC's last contract with the State Department, it is invoice number DOS 1-85A, contract number 10001-602066, and ask Mr. Miller to examine that document, and tell me whether or not he has seen it before.

(The document referred to was marked for identification as Miller Deposition Exhibit No. 37.)

THE WITNESS: Yes, I have.

BY MR. OLIVER:

Q Did you prepare that document?

A I signed it. It was prepared by a large number of people.

Q If you will look at the next to last page of that group of documents, or the third from the last page, sorry, there is a form from your company with an employee name there, could you tell me what that name is?

A This is Christina, I am really going to insult her, because I can't remember her last name. Its is G-U-L-L-E-I, or Y.

Q What did she do for IBC?

A She did primarily the data entry for the computer distribution list, and worked on the distribution of publications, and other duties as assigned.

Q Did she work in your offices?

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A Yes.

Q Did she also work in offices at the Department of State?

A All the employees that worked on the distribution contract spent a large number of hours over at the State Department.

Q Do you know whether or not she knew Colonel North?

A I don't believe so.

MR. OLIVER: Thank you, Mr. Miller, I have no further questions.

THE WITNESS: Thank you.

MR. OLIVER: Mr. Buck?

MR. BUCK: Mr. Miller, I just have a few--

MR. PRECUP: I am sorry, Mr. Buck, please go ahead.

MR. BUCK: Mr. Miller, I just have a few questions.

Yesterday you mentioned a group in the military from the Sandinista Government that dressed like the Freedom Fighters were dressed, and then committed certain acts, and had those acts publicized.

I was wondering whether you could expand a little bit on your knowledge of those events?

THE WITNESS: There was a report by one of the Central defectors, and I can't remember whether it was [redacted] [redacted] or whether it was one of the others, but that the State Security apparatus employed a group of individuals who

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would dress as Contras, and go out and commit atrocities. Then State Security would seek to publicize them.

Also, Wesley Smith picked up in his investigations similar allegations by refugees, and the much publicized Newsweek series of photographs of an execution, where pictures of men carrying M-16's, which the Freedom Fighters don't carry, wearing clean blue workshirts, which are kind of hard to have after you have been out in the jungle for six to eight weeks, it is a little tough to have them cleaned and pressed. And they were wearing the wrong kind of boots, and from that the leaders of the Resistance had supposed that that series was actually photographs of one of those units.

There have also been confirmed reports of people entering the ranks of the Freedom Fighters, as a purposeful infiltration by the State Security forces, and these infiltrators are sometimes guilty of these activities.

MR. BUCK: You mentioned that the State attempts to publicize these activities. Where are these activities publicized?

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THE WITNESS: Well, primarily through the CP--or the Sandinista Committee for the Protection of Human Rights, and I am not sure I have the title exactly right, there was--there is the CPDH. which is the Committee for the Protection of Human Rights, which was the Committee that publicized the Somosa atrocities, and the one that Senator Kennedy and

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others here on the Hill used to help bring down Somosa. And when that Government began to publicize the atrocities by the Sandinista Government, they decided to open their own operation, they did. Some of the principal leaders of that organization have since defected to the United States, [redacted]

And what the Sandinistas did was, through these trumped up instances, or through actual fabrication by the State Security forces, produced reports that were critical of the Contras, and accused them of atrocities. This was reported largely by America's Watch, and by the Washington Office on Latin America, who has issued two highly critical reports, the first of which was sponsored by the law firm that represents the Nicaraguan Government, Reichler and Applebaum, the two investigators who did the investigation of the atrocities, Reed Brody, and a journalist named Bolden, I believe his last name is, both were provided free transportation, staff, offices, housing and cash by the Sandinista Government, the official human rights organization.

And one of the defectors has since testified in public that the individual responsible for setting up the interviews was a member of the State Security apparatus. And that is how they publicize them.

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MR. BUCK: Do you have any knowledge, information, sensitive information, from this Committee, which has been

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leaked from this Committee?

THE WITNESS: Leaks are kind of tough to have direct knowledge of. I would say that aside from some newspaper accounts of meetings that have not yet been transcribed, I don't--I can't specifically point to any leaks.

MR. BUCK: But you have knowledge of some stories that haven't been published yet, that have leaked from this Committee?

MR. PRECUP: No, You misunderstood.

THE WITNESS: No, the testimony that was given in private, that appeared in the newspapers before the transcripts were shown to us, or released by the Committee, such as The Washington Post article about the Worlds Affairs Counsellor's account. But I can't attribute them to any individual, or to the Committee directly. I don't--I am not sure where the leak came from.

MR. BUCK: Okay.

Mr. Miller, I would like to mark the following two documents as Miller Deposition Exhibit Number 38 and 38-A, which I will supply copies to anybody that needs them, as soon as this deposition is over.

(The documents referred to
were marked for identification
as Miller Deposition Exhibit
Nos. 38 and 39-A.)

MR. BUCK: Do you recognize these documents, Mr. Miller?

THE WITNESS: Yes, this is the report that we had discussed earlier, prepared for Mr. Channell, and it is a number draft from my office.

MR. BUCK: Okay. For the record, Mr. Precup, I would just like to state how I received those documents, and if you would verify that, I would appreciate it.

After a deposition recently, in which these documents were mentioned, I placed a telephone call to you, I believe in the middle of last week, requested those documents from you, and you agreed to produce those documents to avoid a subpoena, and we certainly had the opportunity to subpoena if we need to, and you produced those documents to me late last week, with no stipulations or conditions, or anything else attached to those documents, is that accurate?

MR. PRECUP: Well, the only correction, or addition really to what you said, because what you said is generally accurate, is that I did report to you that, when you asked me about it, that I had not heard of the documents, and that I would check with my client, and I subsequently did that. That is correct.

MR. BUCK: All right.

Mr. Miller, could you explain a little bit about the sources through which, which are in those documents,

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those materials--

THE WITNESS: Most of the materials are materials we received by requesting them by mail, or they were given to us by individuals who are members of policy organizations in Washington, and some of them we got from data bases in the available by computer linkup, and we requested on a couple of occasions, Internal Revenue Service filings, which are public documents.

There are about four more inches than what you have got here of computer printouts from our data bases, of the grant procedures, and the different organizational structures that are discussed in the White Paper itself. And I did not retain a copy of those, those were given to Mr. Channell, and I am sure they are retained in his offices, or at least I think they are, so.

MR. BUCK: Would you discuss, just briefly, some of the accusations, some of the highlights, I guess, of the document that is before you?

THE WITNESS: Well, I will do that, but only if I am allowed to point out that this is a draft of a White Paper I supplied to Mr. Channell, it also was accompanied by a letter, which indicated to him that while we were confident of our sources, we expected that he would supply this to legal counsel, so that they could review it, and I don't know whether he followed through on that or not, but we certainly

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have not provided it to anybody but Mr. Channell, for that purpose.

The report is a general description of the organizations working through the Communist Party of the United States, and foreign governments, including the State apparatuses of the KGBB, and Cuban Intelligence, to develop a network of supportive organizations in the United States, and how those organizations have formed political affiliations with elected officials and public policy groups, and finally, how those public policy groups have been involved in lobbying activities on behalf of the Nicaraguan Government, the Sandinista Party, the El Salvador radical left, and El Salvador guerrilla movements, as well as international Socialism and Socialistic causes. Socialist causes, I should say. .

MR. BUCK: You mentioned lobbying, Mr. Miller, are the lobbyists, to your knowledge, registered as lobbyists?

THE WITNESS: Actually, one of the things we did in redoing this report was to the offices here on the Hill for both the Senate and House of Representatives, and we found none of the organizations which issued lobbying reports to their members and planning committees, registered as lobbyists, and in some cases they were tax exempt organizations. Those issuing reports about lobbying were tax exempt organizations, and in some cases 501(c)(3) and 501(c)(6), and nines,

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and so forth. But none of them, I think, save one, was registered as a lobbyist.

MR. BUCK: You mentioned active measures in the report, Mr. Miller, could you explain that, just a little bit?

THE WITNESS: I haven't seen this in some time, so I will try and do it as best from memory as possible. The KGB has a Department of Active Measures, which is involved in black propaganda misinformation efforts, and those are efforts designed to influence and manipulate foreign media, and political organizations, and they are generally carried out using things like forgeries of documents, as we saw with the AIDS scare, that was a document that was distributed by the KGB in Africa, and has since been publicized by the U. S. news media.

And false reports about activities in places like Latin South America, which were then replayed in news organizations controlled by Communist Party organizations, and therefore then getting replayed in legitimate news organizations.

MR. BUCK: I have no further questions.

MR. OLIVER: I wonder if we could take a five minute recess, as others of us have not seen those documents, and they have been discussed, and I did not know until they were produced by Mr. Buck, that they were in the possession of the Committee, and I regret that they were not shared with

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us at an earlier time, since they were a subject of this deposition, but I would like to take a recess in order to examine those documents, to determine whether I have any further questions relating to them.

So could we take a five minute break?

(Short recess.)

BY MR. OLIVER:

Q Mr. Miller, did you do the research on this document?

A I had two people in my office doing the research, and we also used computer data bases, to do the research. In fact, most of the research was done by the computer data bases.

Q There are contained in this document the Bylaws of the Christic Institute.

A Uh-huh.

Q And some documents relating to them. Are you the object of a lawsuit by the Christic Institute?

A No.

Q Have you been named in the lawsuit--

A Not to my knowledge.

Q --by the Christic Institute?

A Not to my knowledge.

Q There is also in here a letter from Senator John Carey to Ambassador Bob White. Where did you obtain that letter?

A I would like to look at it before I answer that question.

MR. OLIVER: We will go off the record for just a minute.

(Discussion off the record.)

MR. OLIVER: Back on the record.

Mr. Miller, I have asked you to examine a letter that is contained in that document from Senator John Carey to Ambassador Bob White, and my question was where did you obtain that letter.

THE WITNESS: I am not exactly sure, but I believe this is the portion of a fundraising document, which is attached, which was sent to someone who provided a copy of it to me, and I think there are several pages here,including a fundraising letter from Robert White, referencing the letter from Senator Carey, so someone who received this in the mail gave us a copy of it.

BY MR. OLIVER:

Q Who was that person?

A I am not sure. One of people that was contacted by my research people.

MR. OLIVER: I have no further questions, thank you.

MR. BUCK: That is all I have.

Mr. Fryman is the witness excused?

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MR. FRYMAN: Yes. The deposition is concluded, Mr. Miller.

MR. PRECUP: Thank you.

(Whereupon, at 3:05 p.m., the taking of the deposition was concluded.)

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CERTIFICATE OF NOTARY PUBLIC

I, Ronald Meek , the officer before whom the foregoing deposition was taken, do hereby testify that the witness whose testimony appears in the foreoing deposition was/previously duly sworn byxxme; that the testimony of said witness was taken by me stenographically and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

Notary Public in and for
the District of Columbia

My commission expires June 14, 1988.

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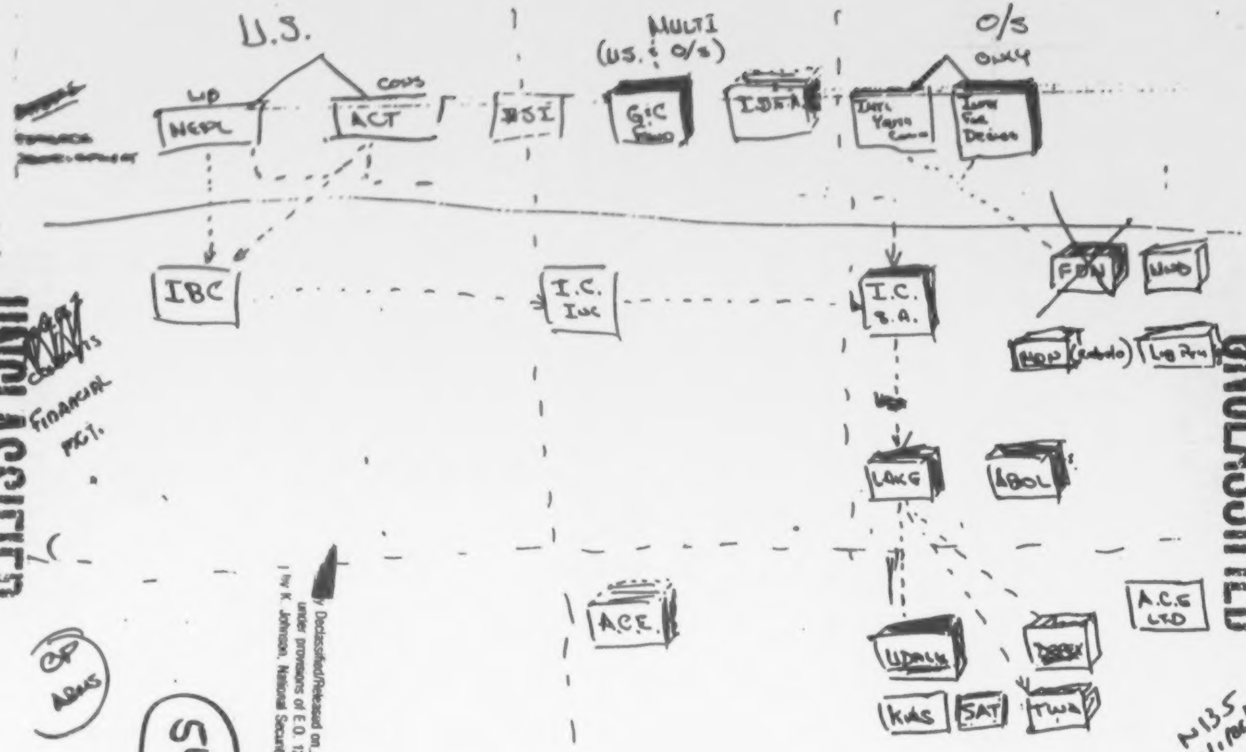
No Date

Miller Deposition Exhibit #7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Inst for Democ
IBC
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I.C. S.A.
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Lig Pro
LAKE
ABOL
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June 16, 1987

BY HAND

James Kaplan, Esquire
Senate Select Committee on Secret Military
  Assistance to Iran and the Nicaraguan Opposition
Hart Senate Office Building
9th Floor
Washington, D. C. 20515

Re: Transcript

Dear Jaimie:

I return herewith the transcript of the tape recording which you loaned to us last week. Also enclosed is a list indicating to the best of the indicator's recollection who spoke what paragraphs. The indications are by initials, but since you know the attendees, you should have no trouble figuring them out. If you need help, give me a call.

Very truly yours,

Ronald G. Precup

RGP:jf

Enclosures

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by K. Johnson, National Security Council

RM Dep. Exh. 10
8/20/87

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Page	Para	Text	Speaker
35311	1	It's the largest . . .__________	?
	2	We're helping them now . . .____	RM
	3	We're doing the media . . ._____	RM
	4	Who pays?______________________	JR
	5	They do. And . . .____________	RM
	6	Once they've left . . ._________	?
	7	No, they really haven't . . .___	?
	8	[redacted] . .______	?
	9	[redacted] . .__________	?
	10	They go on missions . . ._______	?
	11	Several of the fighters . . .___	FG
	12	Although they have . . .________	?
	13	Do these people . . .__________	?
35312	1	There are [redacted] regional . . ._____	FG
	2	Is that command . . .__________	?
	3	Yes.__________________________	FG
	4	We figure now . . .____________	?
	5	The main thing . . .___________	JR
	6	The second point . . .__________	RM
	7	So even though . . .___________	RM
	8	The [redacted] can tie . . .________	RM?
	9	The Nicaraguan army . . ._______	RM?
	10	They need the Cuban . . ._______	CRC

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Page	Para	Text	Speaker
	11	If freedom is alive . . .	FG
	12	So the people are . . .	FG?
35313	1	And that's a tough . . .	?
	2	But we have been . . .	FG
	3	So we sent him . . .	RM
	4	But when he was . . .	RM
	5	They took 180 . . .	RM or FG
	6	See, what happens . . .	?
	7	What they do . . .	FG
35314	1	They give them . . .	FG
	2	And his job . . .	FG
	3	And they all do it.	FG
	4	And then they turn . . .	FG
	5	It's like the gun . . .	JR
	6	The best I can tell . . .	JR
	7	On a very rapid . . .	FG?
	8	The M16 fires . . .	RM
	9	I bet I could . . .	JR
	10	Only one problem. You . . .	RM
	11	One reason Rich . . .	FG
	12	They've come . . .	?
	13	The Miami Herald has . . .	?
	14	Frank and I set up . . .	RM

Page	Para	Text	Speaker
	15	$28 million is . . .	?
35315	1	_____ has said publically . . .	FG or RM?
	2	They're playing a . . .	?
	3	The more sophisticated . . .	RM?
	4	And there was . . .	?
	5	Texans are the most . . .	?
	6	There really hasn't been . . .	?
	7	I don't think . . .	?
	8	Yes, this is . . .	?
	9	They have lost . . .	?
	10	There's nothing I hate . . .	JR
	11	There isn't one dime . . .	?
	12	I have known . . .	FG
	13	Adolfo . . .	?
	14	Cruz is . . .	RM
35316	1	But the point . . .	?
	2	They jailed 114 . . .	?
	3	But Adolfo . . .	?
	4	After the elections . . .	CRC
	5	Since thn I have . . .	CRC
	6	As long as we . . .	?
	7	those guys are down . . .	?
	8	It's not a set piece . . .	?

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Page	Para	Text	Speaker
	9	How long do your boots . . .	?
	10	The humid. It's . . .	FG
	11	They have done . . .	?
	12	[redacted] . .	?
	13	[redacted] . .	?
	14	These are Soviet-made . . .	FG
	15	They don't even . . .	?
	16	Thats similar to . . .	?
35317	1	These are raw . . .	FG
	2	There's a lot . . .	FG
	3	When I was there . . .	FG
	4	He said . . .	?
	5	I said . . .	?
	6	"Some for medical . . .	FG
	7	What's happened is . . .	RM
	8	Instead, they got . . .	?
	9	And these boys . . .	FG
	10	That boy could . . .	FG
	11	He could . . .	DC?
	12	the reality is . . .	RM
	13	The miracle that . . .	FG?
	14	Having survived . . .	?
	15	And they are . . .	?

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Page [illegible]

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Page	Para	Text	Speaker
35318	1	There are 12 . . .	?
	2	Half the forces . . .	?
	3	I understand there . . .	?
	4	Yes, but . . .	?
	5	There are no . . .	?
	6	But you don't . . .	?
	7	A [redacted] man . . .	RM
	8	It's technology . . .	?
	9	If they had enough . . .	?
	10	How can you get . . .	?
	11	Yeah.	RM
	12	They're getting . . .	FG
	13	But by the time . . .	?
	14	They pay very . . .	FG
	15	I would think . . .	?
	16	No but they get . . .	?
	17	And, there other . . .	?
35319	1	I'm not sure . . .	JR
	2	The insurgency has . . .	?
	3	We can get you . . .	?
	4	Calero wants . . .	CRC
	5	But $14 million . . .	?
	6	Reagan ought to . . .	?

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Page	Para	Text	Speaker
	7	The $14 million has . . .	?
	8	The only reason . . .	?
	9	There are [redacted] . . .	?
	10	[redacted] . . .	?
	11	Vice President . . .	?
	12	[redacted] need . . .	?
	13	They're hearing the . . .	?
35320	1	And they're hearing . . .	?
	2	It boils down . . .	?
	3	The military aid . . .	?
	4	If you were about . . .	?
	5	Do they have . . .	?
	6	They do all right.	?
	7	We were going to . . .	FG
	8	I had to travel . . .	FG
	9	And we loaded up . . .	FG
	10	Where were . . .	?
	11	Yes, in the . . .	FG
	12	And, by the way . . .	FG
	13	These guys look good.	?
	14	In any case, we're . . .	FG
	15	We were going . . .	FG
	16	Over the side, heavy . . .	FG

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Page	Para	Text	Speaker
35321	1	This was about 4,000 . . .	FG
	2	Jungle.	FG
	3	Temperature. It's warm . . .	FG
	4	This is in good . . .	FG
	5	In fact, some . . .	FG
	6	In any case, we . . .	FG
	7	We stopped and I . . .	FG
	8	And that's what they're . . .	FG
	9	And I said . . .	FG
	10	And they said . . .	FG
	11	We sent Nightline's . . .	RRM
	12	I said . . .	RRM
	13	She said . . .	RRM
	14	They were in the same . . .	RRM
	15	There is an entire group . . .	?
35322	1	Can you imagine . . .	?
	2	How about the Baptists . . .	?
	3	Let's show those . . .	?
	4	We have been waiting . . .	?
	5	And it's a shame. Because . . .	?
	6	The beauty this time . . .	?
	7	But we are on . . .	?
	8	And if we can . . .	?

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Page	Para	Text	Speaker
	9	We going to call . . .	JR
	10	We're going to start . . .	JR
	11	And they keep calling . . .	JR
	12	"We got an empty semi . . .	JR
	13	But the organization . . .	?
	14	And we brought up . . .	?
	15	The point here is . . .	?
35323	1	He stood up . . .	?
	2	Now that will scare . . .	?
	3	The guy that did that . . .	?
	4	It's paid for by . . .	?
	5	I don't see how . . .	?
	6	There are rational . . .	????!!??
	7	The reality is that they . . .	?
	8	ron Dellums was . . .	?
	9	The reality is you have . . .	?
	10	Because anybody you'd . . .	?
	11	They shouldn't be . . .	?
	12	Calero was so tired . . .	CRC
	13	What I mean to imply . . .	CRC
	14	One, if he did not . . .	CRC
	15	He would not suffer . . .	CRC
	16	We're going to see . . .	CRC

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Page	Para	Text	Speaker
	17	That's what we're going . . .	?
	18	Where is his . . .	JR
35324	1	They're scared in . . .	?
	2	Everytime we call . . .	?
	3	It's a very difficulty . . .	?
	4	Well, Alfonse . . .	RRM
	5	And it blew out . . .	RRM
	6	Talk about terrorism.	?
	7	They have had two attempts . . .	?
	8	Nobody has ever tried . . .	?
	9	If you really want to know . . .	?
	10	Starlite scope. You . . .	?
	11	This is Nicaraguans . . .	FG
	12	The real reason . . .	?
	13	We are serving . . .	?
	14	It would be a shame . . .	?
35325	1	What bother me . . .	JR
	2	Look at what's happened . . .	FG
	3	The military held . . .	FG
	4	And that ended . . .	FG
	5	Because heretofore . . .	RRM
	6	And they put democracy . . .	?
	7	And the same guys . . .	?

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Page	Para	Text	Speaker
	8	For me, the bottom line . . .___	?
	9	People like Mario . . ._________	?
	10	Well, they damn well will . . ._	?
	11	There are more . . .____________	?
	12	They're ready . . .______________	?
	13	AK$& sounds . . .________________	?
35326	1	Between now and May . . ._______	?
	2	Because if they succeed . . .___	?
	3	There's 2 different kinds . . ._	?
	4	So you have to have . . ._______	?
	5	They have flare system . . .____	RRM
	6	For one thing . . .______________	?
	7	If you provide money . . .______	RRM
	8	On the other hand . . ._________	RRM

===

L	9	Whatever you do . . .___________	N/A
e	10	I'd encourage you . . ._________	N/A
t	11	That'll make a lot . . .________	N/A
t	12	We haven't heard . . .__________	N/A
e	13	Please respond . . .____________	
r	14	You tax-deductible check . . .__	
	15	Once you gift arrives . . ._____	

================ END OF DOCUMENT ====================

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Chapte 4, Task force

U36920

It's the largest best organized and most effective and it's the one that has the U.S. support for the longest period of time.

We're helping them now to coordinate their Washington activities. We've established an office for them. We've found people to do their congressional affairs for them on a gratis basis.

We're doing the media coordination for them and also the coordination of meetings as the circle goes out beyond just media & Congressional relations. Now into fund raising & administrative & Logistical things.

Who pays?

They do. And it's precious money to them when they're late on expenses as difficult as it may be you have to remind yourself that somebody died down there today. You can't really get mad.

Once they've left the country like that aren't they totally dependent on donations of one kind or another?

No, they really haven't left the country. the in a pocket [redacted] Which is disputed territory. [redacted]

They go on missions that last 6 to 9 months.

Several of the fighters impressed upon me how much more comfortable they are in the field fighting. They siad they eat better, they sleep better. Their with their people. They're being given food & intelligence and a place to sleep and so on. they accually prefer to be in the field to the camp.

Although they have to go back to the camp for orientation, for instruct for R & R.

Do these people all have redios, so they know what's going on

Declassified/Released on [illegible] under provisions of E.O. [illegible] National Se[illegible]

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There are [redacted] regional commands with from anywhere fro[redacted] men. Each of those commands is in radio contact with headquarters.

36921

Is that command moving too?

Yes. They're moving also.

We figure now as many as [redacted] young men, and in some cases, older men, across the border, inside Nicaragua, waiting to come over, but there aren't weapons and boots for them.

The main thing I wanted to find out is what his needs really are, how his weapons are.

The second point is that the people in the camps are primarily there for R & R and for re-supply. the war is not a set-piece battle. It is an insurgency And, in fact, they have about [redacted] insurgents whereas the Sandanistas, when they won, only had about 3,500.

So even though they're so out-gunned, in terms of technology and weaponr [redacted] in a country of 2.5 million is a hell of a big insurgency.

The [redacted] can tie up a 100,000 man army.

The Nicaraguan army is 100,000. There are nearly as many Cubans in Nicaragua as there are freedom fighters.

They need the Cubans and their tanks to keep their own people around.

If freedom is alive and well in Nicaragua, they don't need 100,000 people to try to snuff out [redacted] guerillas. Originally, during the opposition to Somoya, the people did have shotguns and pistols. Because the struggle against Somoya had been going on for several years, as a matter of fact, at the time Costa Rica was a conduit for arms to the Sandanista forces and o provide the popular upris and that is eventually what happened.

So the poeple are armed. In view of this, the Sandanistas have even cleared the militia, which is part of that 100,000 men under arms. And they're not fearful of providing arms to people, but they keep them under control through various survellance techniques, such as what Cubans call Sandanista Defense Committe Block Committees.

0699

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Anybody who even begins to look like they're getting out of line is informed upon. N36922

And that's a tough apparatus to fight today in Nicaragua.

But, we have been in touch, because of our experience, with the entire range of the armed and the political opposition to the Contras and when Rich was talking about the [redacted] arms, he's not referring to the Mosquitas. There's 2 Mosqu groups. There's the Misura Brooklyn Rivera and Steadman Fagoth and Misurasata and then there is Misurasata, which is a combination of Sumu, Rama and ____ indians which has aobut another [redacted] men under arms, plus the [redacted] under ARDE, the thing cthat grew out of it, which is the Democratic Revolutionary Alliance, which has many arms right now, about [redacted] But I was in [redacted] in March , , and there was one guerilla leader who told me they had [redacted] ready to fight, but they needed communications, books, weapons and leadership. They're ready to fight, but they needed communciations, We sent down a military expert to judge the viability. So that when he came back, he could be part of the Congressional debate. Becuase one of the disinformation pieces they used against the freedom fighters is that they're not militarily viable.

So we sent him down to look at it. He's a former Colonel in the Canad: Air Force. And he's a professor of International Relations at Boston University. He flew in Vietnam. His name is Yorkamatre. A real dynamic fellow.

But when he was down there, in fact NBC got it on film, they send an 800 man force against a 2,000 man contingent of artillery and infantry and routed them. They were getting ready to attack the camps. They took 13 casualties. 3 died. They killed 280. And routed the force entirely.

They took 180 AK47s. They took mortars, hand grenades.

See, what happens is, they get a lot of thes weapons back. And they don't have ammunition for them. They get AK47s and they don't have the ammunition for them.

What they do with their young recruits is they give them an old Spanish ball rifle, the FAL, the (old) bolt action, roll o one rifle, and his job is to go out with his rifle, and after he's had his training - you know they do give them training.

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C H U36923

They give them formation training and they give them li8ve ammunication training.

It's very professionally done.

And his job is to come back with his FAL and an AK47.

And they all do it.

And then they turn their FALs back in. It goes to the next recruit.

It's like the gun we made in World War II for $2.50. It would shoot just one time. You use that to get a real gun. We dropped them by air in France.

The best I can tell, a shotgun is the best thing to use in jungle warfare

On a very rapid fire machine gun. That's why the AK47s and the M16s are the best weapons.

The M16 fires a 22.5 caliber bullet.

I bet I could get 10,000 people to give their old shotgun to this.

Only one problem. You can't export guns for military use from the U.S.

One reason Rich and I almost feel excited about this _________, is because, on March 1, for the first time, the various opposition forces got together. They signed a document.

They've come to the realization that the opposition to the Sandanistas now is as broad, if not broader, than that which was there for Somoya.

The Miami Herald has turned around. The Washington Post has turned around.

Frank and I set up the editorial board for Arturo Crug and Alfonso Robello and we went over and it came out about the San Jose document in the headline of the lead editorial was "A Fair Offer to the Sandanistas."

$28 million is totally inadequate. (Alfonso Robello says) $14 million is doubly totally inadequate. A Hind helicopter costs well over $23 million and there's 12 of them and they're coming.

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__________ has said publically, so that the Sandanistas could hear __________ secret radio communications in the field saying we have red-eyes. Its a big lie.

They're playing a psychological war against the Sandanistas.

The more sophisticated of the shoulder-held missles, the red-eyes. There's 2 different kinds. One that's a little less expensive and there's one that's $8,000. It can take it out.

And there was a scare about 3½ weeks ago. They called in the crews.

Texans are the most patriotic.

There really hasn't been a vehicle, almost before tonight, for a direct mechanism to them. Because it's been such delicate territory that nobody's really worked out the details on it.

I don't think that anybody who's sat with somebody at a table like this yet, it's going right there. It's buying these rounds. And its buying that missle. It's buying that boot.

Yes, this is the first.

They have lost a large portion, just because they've had to go through middle men.

There's nothing I hate worse than getting screwed. I'm scared to death any money I give to this thing is going to end up in somebodies pocket.

There isn't one dime that isn't going right into Adolfo Calero's hands. Not one dime.

I have known Adolfo Calero for roughly 2 years going on 3 years. He was jailed by the Sandnistas. He lead strikes against Somoya. He encouraged his own employees to go out on strike against Somoya.

Adolfo Calero was jailed by Somoya. But Adolfo Calerois a conservative.

Cruz is a social Democrat. He believes in a free economy but he believes in government support for a free economy which will never work. I used to work at AID and I've seen these kind.

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But the point is that the entire spectorum now C is in opposition to the Sandanistas. The entire spectrum.

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They jailed 114 Social Christians a month ago. It caused them incredib harm here in Washington.

But Adolfo Calero is a conservatie. He never gave in. He never gave in to the temptation of trying to negotiate with the Sandanistas.

After the elections, after the plans for the revolution, the state of Nicaragua, tell January, 1983, 2½ years after the time for revolution, he came to Washington to lobby for aid to the Sandanista government.

Since thn I have seen him on countless occasions, he has been so tired from working on behalf of his men and this cause.

As long as we stay on top, as long as we stay in the offensive position, they will be on the way out.

those guys are down there. They've got 2,000 Soviets. They've got 6,000 Cubans. There's 2,000 ____________.

It's not a set piece battle. The thing that has changed the equation are the Russian tanks, the Russian artillery and the Russian Hind helicopters.

How long do your boots last? Maximum 3 months. Why is that?

The humid. It's wet. And because they do a lot of walking. They're not riding in trucks. there are no trucks. They walk. And over pretty rough terra

They have done a pretty good job of getting their wounded cared for. Because, psychologically, you've got to have that.

[redacted]

These are Soviet-made land mines. They have been uncovered by the guerillas, disarmed, and brought back to camp. And they're going to re-arm them and place them again against the Sandanistas.

They don't even have their own mines.

Thats similar to a claymore.

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[illegible]

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These are raw recruits. Look at the tin can this C guy Has. Instead of a conteen. U56926

There's a lot of heavy terrain. They do a lot of ambushing.

When I was there, I asked why there were so many men in the camp. I want to know how many men you have her.

He said, "3,000."

I said, "How many do you have in the field?"

"Some for medical care: some for R & R: some to be re-supplied, refitte But most of them because we don't have even a pack for them to carry their ammuniti They don't have boots.

What's happened is, the Sandanistas started their drive for military conscription. And they thought they would get support.

Instead, they got insurrection. In several of the major cities. Major insurrections. Coordinated insurrections.

And these boys came across the border. And their mothers and fathers sent them. They said, "If you're going to fight, fight for the side that will give you a choice. And that's why they fight.

That boy could have gone to Costa Rica. But they sent him to Honduras to fight instead.

He could have gone to Costa Rica and just cooled out. They sent him to Honduras to fight.

the reality is we're on the side of the angels with all this..

The miracle that I know about is that these people that we were just talking about have the highest morale. It brings tears to your eyes to see these people.

Having surrived and even grown since last may when the aid was cut off.

And they are having to tell people, "I'm sorry you cannot join us, you cannot fight, because we cannot give you a weapon to fight with. We cannot give you boots so that you can go fight.

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There are 12 helicopters. And if there was one ready for each one of us, we're talking about $96,000.

C H U36927

Half the forces now who are in opposition to the Sandanistas would turn the other way if Americans went to fight, and we don't need Americans.

I understand there are a bunch of Americans down there.

Yes, but they're volunteer trainers. There just doing training. They'r in and out.

There are no Americans.

But you don't need them.

A [redacted] man insurgency against 40,000 full time rank and file military. 60,000 are militia. So [redacted] It's the technology thats throwing the whole thing out of kilter.

It's technology of Hind helicopters, Soviet tanks and the Soviet rapid fire assault rifles that everybody on the other side has. That's what's throwing it out.

If they had enough ammunition for the AK47s and they had enough red eyes to strategically place themselves.

How can you get the red eyes? Are they readily available?

Yeah.

They're getting arms on the international market. From everybody.

[redacted]

But by the time you go through 2 or 3 wholesalers, aren't you paying 10 times the price?

They pay very carefully. They've got pretty good credit right now with the wholesalers. But it doesn't extend far enough to get the AK47 rounds they need on the red eye missles.

I would think they would be the first ones to start manufacturing AK47s

No but they get them from [redacted] They can get the rifles, but they can't carry off the ammunition to supply the riffles.

And, there other suppliers.

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A [illegible]

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C H U36928

I'm not sure people need automatic weapons.

The insurgency has to live off the commodities available through success.

We can get you a briefing on exactly what their military needs are.

Calero wants those red eye missles. He wants boots. He wants back packs. He wants AK47 rounds which you can get on the international market. He wants communications equipment.

But $14 million could be spent in 2 months without batting an eye.

Reagan ought to forget the $14 million and start asking for a whole lot more.

The $14 million has already been appropriated by Congress. And it can be released under certain conditions stepulated by the Congress. So that's what we're stuck with.

The only reason they've succeeded so far is because of people like yourself who have provided the material support for them to keep going. And it's not just Americans.

There are [redacted] There are Central Americans who are bacing this effort.

The [redacted] have been backing this. Until it began to look like the United States might not really bother at the right time when they needed them.

Vice President Bush went to Honduras 2 weeks ago on his way back from Brazil where he attended the inaguration of the new president. [redacted]

The [redacted] need the same kind of issues. They're going to go with the winner. And yet they're hearing multiple voices out of this country. Not this administration, but this country.

They're hearing the President saying that these are Freedom Fighters, that they're our brothers and so on.

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A [illegible]

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And they're hearing someone like Michael Barnes in the Congress saying, now wait. We're not out to topple governments.

It boils down to that.

The military aid, its surprising, boils down to back packs and boots. You'd think weapons would be the most important thing on the list.

If you were about to set out anywhere from 3 to 9 months walking deep into territory, jungle, roads, mountains, rain, and so on, and you knew that you were going to gone for a long time, you would want to have a good pair of shoes, wouldn't you?

Do they have much trouble with disease in that area?

They do all right.

We were going to rendevous with some reporters who were coming to look at the bases and son.

I had to travel with Calero and a couple of the members of the directorate of the FDN plus a Mosquito fighter who had been in training there and a few others.

And we loaded up in the two vehicles.

Where were you? In Nicaragua.

Yes, in the disputed territory in Nicaragua.

And, by the way, they control an enormous amount of territory there. They are supreme there. You drive down the road and you're out of the base camp and you've been going on the road for a half an hour and you see these guys walking along the road, and they're Contra. And you wave to them.

These guys look good.

In any case, we're going up these mountain roads and I am just about fit to be tied. Because, in a jeep, 4 wheel drive, with about 6 people, even though it's a mountain road, you feel that you ought to be able to at least go pretty well forward, right?

We were going like this.

Over the side, heavy of a load and I was on the side and I was looking

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C H 036930

down there and it's about 800 feet straight down.

This was about 4,000 or 5,000 feet altitude.

Jungle.

Temperature. It's warm maybe 75-80 degrees.

This is in good weather, this is dry season. But it rains a little bit and the roads are pretty bad.

In fact, some strategist think the best thing we could do for those people would be to get them a bulldozer so they could help maintain those roads.

In any case, we were going like this, and I literally six inches from going over. Six inches. Somebody was with us.

We stopped and I got out. And I looked at the tires on that jeep. It was a Toyota. And they were literally bald. Nothing there.

And that's what they're surving with.

And I said, "why haven't you got tires?"

And they said, "Because back packes and boots are more important than tires."

We sent Nightline's crew there and they did a very positive story. We worked very hard with them to make sure we had journalists were sympathetic. And I got this call from this producer when she came back.

I said, "How was it?"

She said, "It was fine. Except the part where we were going down the hill sideways."

They were in the same jeep that he was in. They hadn't changed the tires yet because they didn't have money to change them.

There is an entire group right now of Nicarguan exiles who've been involved in the fighting themselves. One guy who's involved is setting up the anti-Pope demonstrations where they spit on the Pope and all that stuff. And we have these guys, in Washington, and in other areas, right now, sitting on their hands. Because there hasn't been the money to pay for their airplane tickets and other things to get them out to the districts, like Jim Wright's district, and have them speak up.

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Can you imagine what the reaction would be if the people in Jim Wright's district knew what they did to the Pope down there?

How about the Baptists they hand-grenaded? We have some of those. We have some Evangelicals who where hand-grenaded.

Let's show those on the tape.

We have been waiting for literally months. We have these people sitting, waiting, ready to go. And they could have been going earlier, but a couple people got cold feet about spending money for then to go out and do these things.

And it's a shame. Because they could have had major impact on the debate. Particlarly back in the home districts of these Congressmen and Senators that we're voting for.

C H U36931

The beauty this time is that we are on the side of the insurgency which is the first time, except Afghanistan, but we can't get close enough to see it.

But we are on the side of the insurgency.

And if we can continue, as we've been working so hard to do, to turn the media around, they will start to romanticise about these guys who are the Democrati guerillas.

We going to call it the Shotgun Drive. And we're going to get Remington to put up the amo. Dupont owns Remington.

We're going to start on CBs. We're not even going to involve the electron media until we get support or we have about 3 semis going north on Tobacco Road out of North Carolina full.

And they keep calling on another semi.

"We got an empty semi out there? Somebody got an 18-wheeler empty can come on down and help liberate Central America?"

But the organization who was in charge of putting it together utilized a Sandanista office in Managua to put together the report.

And we brought up this guy for a news conference and we had it last week and Time and Newsweek and AP and everybody reported on it. You look at Time magazine. This week's Times you'll see a little thing about a PR firm. That's us.

The point here is this U.S. Congressman stood up with people. He couldn't

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be that naive. He had to know who these people were.

He stood up with them. He had a news conference with them. And he sponsored their report. Which was clearly bought and paid for by a communist governmen in Managua.

Now that will scare the hill out of people.

The guy that did that Human Rights Study is a member of the National Lawyers Guild, which is a Communist front.

C H J36932

It's paid for by the Soviet Union. Literally.

I don't see how anybody in thise country could rationally be a Communist.

There are rational Communists.

The reality is that they profess views which are very left. Socialists. And yet they're very willing to accept a Communist government.

ron Dellums was a perfect example. He knew exactly what was going on in Grenada. It was fine with him.

The reality is you have the right to be concerned and you have the duty to be suspicious.

Because anybody you'd elect to that position and would even do it out of naiveta, shouldn't be there.

They shouldn't be there.

Calero was so tired, he couldn't even keep his eyes open when we were speaking with him on some very important issues.

What I mean to imply by describing him in that way is that this man is commited. He does not have to undergo what he is undergoing now.

One, if he did not believe in it. Or two, if he were using what resources he is receiving for personal gain.

He would not suffer that much.

We're going to see to it that man doesn't havet to come up here and beg anymore to be able to fight for freedom.

That's what we're going to do with you is

Where is his family? In Miami.

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They're scared in Miami, frankly.

Everytime we call there, we get a call from somebody else said "why did you call?"

It's a very difficulty mentality.

Well, Alfonse Robello, one of the 3 guys who met with Reagan, was hand grenaded in San Jose in November. He heard a crash. He was driving a little Renault. He was with his fiance. He heard a crash. Renault. He was with his fiance. He stopped the car. Put it in neutral. Opened the door and turned around like that and the grenade went off.

And it blew out both his eardrums and peppered him. Bloew out his fiance's back.

C H 036933

Talk about terrorism.

They have had two attempts on Alfonse Robello. Two attempts on Eden Pastore. Two attempts on Anturo Cruz. And nobody has every tried to kill Daniel Ortega.

Nobody has ever tried to kill Byardo Arsis.

If you really want to know who has a policy of systematic violence, look to the Sandanistas.

Starlite scope. You can see at nite. Good for hundreds of yards. Made in Alabama.

This is Nicaraguans for Nicaragua. We have an indigenous, tiny force that grew up on its own accord, that matured of its own accord, and is only now.

The real reason we're here is a matter of personal conviction. There isnothing in it for us personally.

We are serving the larger and more mobile cause. That is the casue of freedom and democracy. Which we see threatened by the continuation of the Sandanist regime in Nicaragus.

It would be a shame if they won by default. If they won because they were willing to put in the money that gave them the technology to succeed where

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[illegible]

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where sheer numbers and sheer political force wouldn't. Thats what's so disturbing to me about it.

What bothers me is what happens after they've won. Look at all these soldiers that have to go back to being peasant farmers.

Look at what's happened in Guatemala. Look at what happened in El Salvador.

The military held that news conference in El Salvador and they said, "We in tend to back this government and the results from this election."

C H 036934

And that ended the argument.

Because heretofore they'd been the final arbitrator and here they were the preliminary arbitrator and they said, "This is fine," and that's the end of the argument.

And they put democracy on a sound footing in El Salvador.

And the same guys that are fighting now for the FDN, that's what they fought for, they're the same people who fought against Somoga! They were fighting for the same thing against Somoza that they're fighting for now. And it's democracy.

For me, the bottom line is, these are people who are willing to fight for their freedom and for democracy. So that we won't have to fight ourselves.

LULAC

People like Mario Obledo from the LULAC based in Texas, an Hispanic organization. Saw him on tv in Houston yesterday. He was going "Oh, no. we're hightening tensions and I'm afraid that our boys are going to have to go down there and fight."

Well, they damn well will fight unless we get behind the right side right now.

There are more Hispanic Medal of Honor winners than any other nationality in the United States.

They're ready to go. They're ready to fight.

AK$& sounds are a little less than $1 a round.

0712

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A [illegible]

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DAri 16

Between now and May 1, the red eye missles could be the entire key.

Because if they succeed at this point in launching an offensive including tanks and the MI24 helicopters into that region and go for the cans...

There's 2 different kinds of red eye missles. There's one that's very unsophisticated which is just a direct shot missle. And then there's one that's able to take on the Hind because the Hind has major decoy devices, has heavy armanment and it has these fflus on the back of the exhausts from the jets - the expulsion from the engine - that mask the heat.

C H

So you have to have the $8,000 red eye to make it work.

U36935

They have flare system on the MI24s and they drop the flares out.

For one thing, there's a trade off.

If you provide money for ammunition, the money they've set aside for ammunition can go to boots.

On the other hand, if you provide money for boots, what they've set aside for boots can to ammunition.

Whatever you do in regard to that list (of Calero's needs), I think you can be proud of what service you provide for democracy. I think ultimately you can be proud to stand that day in Managua when there's a free country inagurated down there.

I'd encourage you to participate now while you can still make a differenc

That'll make a lot of difference to a lot of huys down there. I'm serious about that.

We haven't heard from you yet.

Please respond to the President's request for aid to the Nicaraguan refugees.

You tax-deductible check of $350 or more will be a miracle gift. The Nicaraguan refugees are homeless, impoverished and wounded fighters for freedom.

Once you gift arrives, your name will be immediately added to the Preside Honor Roll of Concerned Americans. We are presenting the Honor Roll to the President on the 15th of May.

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No Date

R M 001042

11/7 -
$1,200,000 – Commitment – 3 PAYMENTS
Nov 21st –
Dec 5nd

1 now $400,000
1 Jan $400,000
1 Feb $400,000

Green – Now working a Year on this program
– Most secure person we know in the U.S.
– We are asking you to take on a project that requires your kind of person

[redacted] Declassified/Released on 10 Feb 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

RM Dep. Exh. 18
8/20/87

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R M 000859

2/5/86 · Green

1. Eddies new purchase list
2. Andy Messing
3. Western Goals - Radio
   - Larry McDonald Airport
   - $40 million
   - 9 people
4. Dinner for Newington
5. Ollie at the Newington RR meeting
6. Cruz - Lowering Arguello
7. Bosco - Walter
8. AAA in 18th

5474

~~Partially Declassified~~/Released on 11 FEB 88
un~~der provisions of E.O. 12356~~
by K. Johnson, National Security Council

RCM Dep. Exh. 19
8/20/87

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45.

[redacted]

To do

✓X 1. Call Ollie on items on page two
✓X 2. Print out NEPL/MTK AND UNO/TALK
✓ 3. Call adolfo
4. Get Patch framed
✓X 5 Jay - Nexis search
~~6 2 patches by Wednesday~~
~~7. Frank - RR for conservative conference~~
8. LOIS VAN DYKE - RR PHOTO

✓X 11. Cb on Metromedia [illegible] Tape
✓X 12. Frank - 1 day late - Call Goodman
✓X 13 Call ~~Standard~~ Charter Bank 212/269-3100
14. Call Doug Hofmeister
15. Frank - Charlie Wick - use ~~tape~~ at USIA
- Swiss President offered to get it on Swiss -
-

16. SDI [illegible]
Richard Perle →
Frank Gaffney → Dep Assist to
[illegible]
Sven Kraemer →

18. Trading Wednesday -

⅔ of the Americans will tell Congress..
One of the new gathering.
The VP is qualified to argue
many of the issues on Naples

0216

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NO DATE (85)

IBC EXPENDITURES FOR GREEN

1985

5-10	OWEN TRIP EXPENSES	$2,720.00
6-20	NDC TRANSFER [illegible]	$2,520.00
7-15	[redacted]	$30,000.00
9-12	BENSON GRANT [illegible]	$10,000.00
9-20	WIRE TO LAKE	$130,000.00
9-23	WIRE TO [illegible]	$100,000.00
[illegible]	WIRE TO [illegible]	$30,000.00
[illegible]	WIRE TO [illegible]	$20,000.00
		$325,[illegible]

RM 01259

TOTAL AMOUNT RECEIVED	$553,[illegible]
TOTAL EXPENDED	$32[illegible],700.00
	227,330.00
[illegible] COSTS	$251,409.82

Declassified/Released on 10 Feb 88
under provisions of E.O. 12356
K. Johnson, National Security Council

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RM Dep. Exh. 23
8/21/87

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15 Oct 86

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\FREEDOM NETWORK
WRU: IBCUSA - -

PSH: 0000000000
7QJAF9980
GA: 3094207

4207 CAYHAUN CP

TO: ANTONY K. DEVINE
CAYHAVEN CORPORATE SERVICES LTD.

FROM: RICHARD R. MILLER, DIRECTOR
FRANCIS D. GOMEZ, DIRECTOR
INTEL CO-OPERATION INC.

DATE: OCTOBER 15, 1986

CODE: 3963

THIS REQUEST IS URGENT AND SHOULD BE EXECUTED AS SOON AS POSSIBLE REGARDLESS OF ANY PENALTIES OR FEES THAT ARE INCURED.

PLEASE TRANSFER TODAY FROM THE INTEL CO-OPERATION INC. ACCOUNTS THE FOLLOWING:

TEN THOUSAND ($10,000) US DOLLARS TO:

AMERICAN SECURITY AND TRUST BANK
BRANCH 20
US DEPARTMENT OF STATE
WASHINGTON, D.C.
20520
CARE OF: WILLIAM WALKER DAS/ARA

(THERE IS NO SPECIFIC ACCOUNT NUMBER, [illegible] AS THE FUNDS ARE TRANSFERED TO THE GENERAL ACCOUNT OF THE BANK WITH THE INSTRUCTIONS TO NOTIFY WILLIAM WALKER. THE FUNDS WILL BE PROPERLY ADMINISTERED.)

IF THERE IS ANY REASON WHY THIS TRANSACTION CAN NOT BE EXECUTED TODAY PLEASE CALL RICH MILLER.
BEST REGARDS
R. MILLER
F. GOMEZ

~~Partially Declassified~~/Released on 11 FEB 88
~~under provisions of E.O. 12356~~
by K. Johnson, National Security Council

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8/21/87

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TO: ANTONY
ANTONY K. DEVINE
CAYHAVEN CORPORATE SERVICES LTD.

FROM: RICHRAD
ARD R. MILLER, DIRECTOR
FRANCIS D. GOMEZ, DIRECTOR
INTEL CO-OPERATION INC.

DATE: OCTOBER 15, 1986

CODE: 3363

URGENT MESSAGE FOR ANTONY DEVINE:

CANCELL
THE TRANSFER INSTRUCTIONS IN PREVIOUS
TELEX. DO NOT TRANSFER MONEY TO AMERICAN
SECURITY AND TRUST BANK.

ANY QUESTIONS PLEASE CALL RICH MILLER.
BEST REGARDS.
R. MILLER
F. GOMEZ

Mome
IFREEDOM NETWORK
WRU:IBCUSA

9SH:BCBF7KPKPK
7QJAF9GM6
GA:3894287

4287 CAYHAUN CP

TO: ANTONY K. DEVINE
CAYHAVEN CORPORATE SERVICES LTD.

FROM: RICHARD R. MILLER, DIRECTOR
FRANCIS D. GOMEZ, DIRECTOR
INTEL CO-OPERATION INC.

DATE: OCTOBER 15, 1986

CODE: 3363

URGENT MESSAGE FOR ANTONY DEVINE:

CANCEL THE TRANSFER INSTRUCTIONS IN PREVIOUS
TELEX. DO NOT TRANSFER MONEY TO AMERICAN
SECURITY AND TRUST BANK.

ANY QUESTIONS PLEASE CALL RICH MILLER.
BEST REGARDS.
R. MILLER
F. GOMEZ
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by K. Johnson, National Security Council

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NO DATE

Statutory Provisions on Contra Aid

Provision --

~~Effective Date~~ 5258

Section 793 Defense Appropriations Act for FY 1983 -- "The Boland Amendment":

December 21, 1982 - December 8, 1983

R M 015182

"Sec. 793. None of the funds provided in this Act may be used by the Central Intelligence Agency or the Department of Defense to furnish military equipment, military training or advice, or other support for military activities, to any group or individual, not part of a country's armed forces, for the purpose of overthrowing the Government of Nicaragua or provoking a military exchange between Nicaragua and Honduras."

Section 775 of the Department of Defense Appropriations Act for FY 1984 -- "the $24 million cap":

December 8, 1983 - September 30, 1984

"Sec. 775. During fiscal year 1984, not more than $24,000,000 of the funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual."

Section 8066 of the Department of Defense Appropriations Act for FY 1985 -- "a full prohibition on support for paramilitary activity":

October 1, 1984 - December 19, 1985

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"Sec. 8066. (a) During fiscal year 1985, no funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual."

Supplemental Appropriations for FY 1985:

Funds available from August 15, 1985 - March 31, 1986

-- Provided $27,000,000 for humanitarian assistance to the contras, defining the term "humanitarian assistance" as "food, clothing, medicine and other humanitarian assistance, and it does not include the provision of weapons, weapons systems, ammunition, or other equipment, vehicles or material which can be used to inflict serious bodily harm or death."

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8/21/87

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Section 105 of the Intelligence Authorization Act for FY 1986 -- "permitted humanitarian aid, communications support, intelligence sharing, infrastructure expenditures":

C December 4, 1985
C ~~October 1~~ 03259

R M 015183

> "Section 105. (a) Funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated and expended during fiscal year 1986 to provide funds, materiel, or other assistance to the Nicaraguan democratic resistance to support military or paramilitary operations in Nicaragua only as authorized in Section 101 and as specified in the classified Schedule of Authorizations referred to in Section 102, or pursuant to Section 502 of the National Security Act of 1947, or to Section 106 of the Supplemental Appropriations Act, 1985 (P. L. 99-88).
>
> "(b) Nothing in this section precludes --
>
> "(1) administration, by the Nicaraguan Humanitarian Assistance Office established by Executive Order 12530, of the program of humanitarian assistance to the Nicaraguan democratic resistance provided for in the Supplemental Appropriations Act, 1985, or
>
> "(2) activities of the Department of State to solicit such humanitarian assistance for the Nicaraguan democratic resistance."

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FREEDOM NETWORK
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728TKGLTV
BA:04522005

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22005A CSGI CH

TO: MR. ROBERT VIDON
AND MR. COLALD COCKRELL
CREDIT SUISSE BANK
GENEVA, SWITZERLAND

RM 11634

FROM: RICHARD R. MILLER
INTERNATIONAL BUSINESS COMMUNICATIONS
1523 NEW HAMPSHIRE AVE. NW
WASHINGTON, D.C. 20036

DATE: NOVEMBER 19, 1985

REF: IBRAHIM AL-MASOUDI

THIS CABLE IS TO INFORM YOU THAT IBRAHIM AL-MASOUDI OR ANYONE PROPORTING TO BE IBRAHIM AL-MASOUDI HAS NO AUTHORITY TO ACT IN ANY MATTER AS AN AGENT OF OR ON BEHALF OF INTERNATIONAL BUSINESS COMMUNICATIONS AND/OR RICHARD R. MILLER ITS PRESIDENT.

BEST REGARDS
RICHARD R. MILLER
PRESIDENT

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by K. Johnson, National Security Council

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RM, Dep. Exh. 28
8/21/87

[redacted]

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No Date

P 1

Date	Document
3/1/85	1377-84
3/15/85	1357-66
3/20/85	1367-76
?	1385-88
4/17/85	1389-91
?	2433-34
8/26/85	3572
9/30/85	3120
12/17/85	4462, 2887-89
1/13/86	15026-27
1/24/86	2665-90
3/25/86	2110-13
12/1/86	53034-36

Telephone Messages

9/17/	3131
4/9/	3149
4/2/	3161
2/28/	?
11/26/85, 12/5/	3240
10/24	3249
—	3250
—	3255

Handwritten Notes

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[redacted] Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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Miller Depo #30

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p. 2

Date	Document
?	1780-81
?	3196
?	?
?	4207
?	4244-46
?	4316
?	4370
?	4388
?	4440
?	4472
?	4519-20
?	4600
?	4611
?	4612
?	4613
?	4614
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?	4616
?	4617
?	4618
?	4619
?	4620
?	4623-28
?	4918
?	4920-21
?	4924

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p. 3

Date	Document
?	4927-28
?	4931
?	4963
?	4970
?	11002
?	15041
?	19302
?	23345

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1 MAR 85

March 1, 1985

CHRONOLOGICAL EVENT CHECKLIST

February 21-28, 1985

Event	Responsibility
Send resource book on the Contadora process process to congressmen, media outlets, private organizations and individuals interested in Nicaragua.	State/LPD (Miller)
FDN to select articulate freedom fighters with proven combat records and to make them available for contact with U.S. media representatives.	NSC (North)
Prepare list of publicly and privately expressed Congressional objections to voting for the aid.	White House State/H
Prepare themes for approaches to Congressmen based on overall listed perceptions which will directly attack the objections listed above.	NSC (North)
Assign U.S. intelligence agencies to research, report, and clear for public release Sandinista military actions violating Geneva Convention/civilized standards of warfare.	NSC (North) (Raymond)
Prepare list of key Congressmen interested in Nicaragua and voting record.	White House State/H
Contract a paper on why Nicaraguans flee their country (due March 15).	State/LPD (Reich)
Declassify Nicaragua's Development as a Marxist-Leninist State by Linn Jacobowitz Poulsen for publication as State Department document.	State/LPD (Jacobowitz)
Encourage U.S. media reporters to meet individual FDN fighters with proven combat records and media appeal.	NSC (North)
Contact internal eyewitnesses/victims to testify before Congress about their abortive attempts to deal with the FSLN (due March 15).	NSC (North)

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March 1-8, 1985

Event	Responsibility
WH/Legislative Affairs, State/H and ARA complete list of key Congressmen interested in Nicaragua.	State/H (Ball) WH/LA State/ARA (Fox)
Provide State/H with a list of Nicaraguan emigres and masked freedom fighters to serve as potential witnesses to testify before hearings on aid to Nicaraguan freedom fighters (due March 15).	NSC (North) State/ARA (Michel)
Request Bernard Nietschmann to update prior paper on suppression of Indians by FSLN (to be published and distributed by March 25).	State/LPD
Nicaraguan internal opposition and resistance announced unity on goals and principals (March 2, San Jose).	State/LPD (Miller) NSC (North)
Request that Zbigniew Brzezinski write a geopolitical paper which points out geopoliticalconsequences of Communist domination of Nicaragua (paper due March 20).	State/LPD (Reich) NSC (Menges)
Briefings on Nicaragua for key Congressional members and staffers. North on NU aggression and external involvement, Burghardt on diplomatic situation.	NSC (North) (Burghardt)
Intelligence briefing for White House Administration and senior staff by CIA (Vickers, Room 208, OEOB, 30 minutes).	NSC (North)
Supervise preparation and assignment of articles directed to special interest groups at rate of one per week beginning March 4 (examples: article on Nicaraguan educational system for NEA, article by retired military for Retired Officers Association, etc.).	State/LPD
Assign agencies to draft one op-ed piece per week for signature by Administration officials. Specify themes for the op-eds and retain final editorial rights.	NSC (Menges)
Conduct public opinion poll of America attitudes toward Sandinistas, freedom fighters.	WH (Rollins)
National Press Club news conference for FDN commanders Bermudez, Tigrillo, Mike Lima (March 5) (follow-on Congressional visits	State/LPD (Gomez) (Kuykendall)

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UNCLASSIFIED

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March 9-15, 1985

Event	Responsibility
Martha Lida Murillo (9 yr old atrocity victim) visit to Washington--media interviews, Congressional visits (March 6-8).	State/LPD (Gomez) (Kuykendall)
Publish updated "Green Book;" distribute personally to Congressmen, media outlets, private organizations, and individuals interested in Nicaragua. Pass to Lew Lehrman.	State/H (Ball) WH/LA State/ARA (Fox)
State/LPD and WH Media Relations prepare a list of key mediaoutlets interested in Central American issues, including newspapers, radio, and TV stations (including SIN). Where possible identify specific editors, commentators, talk shows, and columnists.	NSC (North) State/ARA (Michel)
NSC update talking points on aid to Nicaraguan freedom fighters.	NSC (North)
Briefings in OEOB for members/Senators: Shultz, McFarlane, Gorman, and Shlaudeman to brief Lehman (requires General Gorman to be placed on contract).	NSC (North) (Lehman)
Call/visit newspaper editorial boards and give them background on the Nicaraguan freedom fighters.	State/LPD WH/PA NSC (North)
Results due on public opinion survey to see what turns Americans against Sandinistas (March 13).	NSC (Hinckley)
Production and distribution of La Presa chronology of FSLN harassment.	State/LPD ✓

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March 16-22, 1985

Event	Responsibility
Review and restate themese based on results of public opinion poll.	NSC (North)
Release paper on Nicaraguan media manipulation.	State/LPD
Joachin Maitre (East German defector)--Congressional meetings, speeches, and op-ed pieces.	State/LPD (Kuykendall)
Review and restate themes based on results of public opinion poll.	State/LPD (Reich) NSC (North) (Raymond)
Presidential drop-by at briefing for American evangelicals on MX and Nicaraguan resistance.	WH/OPL (Reilly) NSC (North)
Congressional hearings (for Relations/Affairs) and testimony by Nicaraguan emigres and atrocity victims.	WH/LA NSC (North) (Lehman)
State/LPD distributed paper on why Nicaraguans flee their country.	State/LPD
Prepare document on Nicaraguan narcotics involvement.	Justice (Mullen)
Publish and distribute as State Department document Nicaragua's Development as Marxist-Leninist State by Linn Poulsen.	State/LPD (Reich)
Distribute paper on geopolitical consequences of Communist domination of Nicaragua.	State/LPD
SSCI CODEL Boren, Rockefeller, McConnell, and Wilson, [redacted] for meetings with resistance (March 15-19).	NSC (North) (Lehman)
Rev. Vallardo Antonio Santeliz (Pentecostal Minister atrocity victim)--Congressional/media meetings (March 15-16).	State/LPD (Kuykendall) (Gomez)

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March 23-31, 1985

Event	Responsibility
Pedro Juaquin Chmerio (Editor La Prensa) U.S. media/speaking tour (March 25-April 3)	State/LPD (Miller/Gomez)
Presidential breakfasts, lunches, and WHSR meetings with key Congressional leaders (March 24 through vote).	
Distribute Bernard Nietschmann paper on suppression of Indians by FSLN.	State/LPD
Antonio Farach (Former FSLN Intelligence Officer)--media and Congressional meetings regarding Sandinista espionage, intelligence activities.	Republican Study Committee
Release DEA paper on Nicaraguan drug involvement.	Justice(Mullen) NSC (North)

0730

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April 1-7, 1985

Event	Responsibility
Second round of SFRC hearings on Soviet build-up in region (Helms) (prior to recess).	State/E
CODEL visits during recess (April 4-14). Nicaraguan refugee camps in Honduras and Costa Rica (include visit to freedom fighter base camp and hospital [redacted].	NSC (North) (Lehman)
CODEL visit during recess (April 4-14) with regional leaders of Central America. Regional leaders convey importance of resistance fighters in NU.	NSC (North) (Lehman)
Administration spokesman on network shows regarding Soviet, Cuban, East German, and Libyan, Iranian connection with Sandinista.	

0731

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April 8-14, 1985 (During recess)

Event	Responsibility
25 Central American spokesmen arrive in Miami for briefing before departing to visit Congressional districts. Along with national television commercial campaign in 45 media markets.	Abramoff
Targeted telephone campaign begins in 120 Congressional districts. CITIZENS FOR AMERICA district activists organize phone-tree to targeted Congressional offices encouraging them to vote for aid to the freedom fighters in Nicaragua.	
Lew Lehrman speaking tour of major U.S. cities.	
Telephone campaign.	
Central American spokesmen conduct rallies throughout the country in conjunction with CITIZENS FOR AMERICA activists. Major rally in the Orange Bowl in Miami, Florida, attended by President Reagan and important Administration figures.	
Nationally coordinated sermons about aid to the freedom fighters are conducted (April 14).	

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April 15-21, 1985

Event	Responsibility
Presidential report to Congress on reasons for releasing funds to freedom fighters (April 15).	NSC State
Central American spokesmen visit Congressional offices on Capitol Hill (April 16).	Abramoff
Washington conference "Central America: Resistance or Surrender" (Presidential drop-by?) (April 17).	NSC Abramoff
Vote in the U.S. Congress on aid to the Nicaraguan freedom fighters (April 18).	

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March 15, 1985

CHRONOLOGICAL EVENT CHECKLIST

February 21-28, 1985 (completed)

Event	Responsibility
Send resource book on the Contadora process process to congressmen, media outlets, private organizations and individuals interested in Nicaragua.	State/LPD (Miller)
FDN to select articulate freedom fighters with proven combat records and to make them available for contact with U.S. media representatives.	NSC (North)
Assign U.S. intelligence agencies to research, report, and clear for public release Sandinista military actions violating Geneva Convention/civilized standards of warfare.	NSC (North) (Raymond)
Prepare themes for approaches to Congressmen based on overall listed perceptions which will directly attack the objections listed above.	NSC (North)
Declassify Nicaragua's Development as a Marxist-Leninist State by Linn Jacobowitz Poulsen for publication as State Department document (clearance request w/Casey).	State/LPD (Jacobowitz)
Encourage U.S. media reporters to meet individual FDN fighters with proven combat records and media appeal.	NSC (North) State/LPD (Gomez)
Contact internal eyewitnesses/victims to testify before Congress about their abortive attempts to deal with the FSLN (deadline March 15).	NSC (North)

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March 1-8, 1985

Event	Responsibility
Prepare list of publicly and privately expressed Congressional objections to aiding resistance and voting record on the issue.	WH/LA State/H
Provide State/H with a list of Nicaraguan emigres and freedom fighters to serve as potential witnesses to testify before hearings on aid to Nicaraguan freedom fighters (due March 15).	NSC (North) State/ARA (Michel) State/LPD (Reich)
Request Bernard Nietschmann to update prior paper on suppression of Indians by FSLN (to be published and distributed by March 25).	State/LPD
Nicaraguan internal opposition and resistance announce unity on goals and principals (March 2, San Jose) (completed).	State/LPD (Miller) NSC (North)
Request that Zbigniew Brzezinski write a geopolitical paper which points out geopoliticalconsequences of Communist domination of Nicaragua (paper due March 20).	NSC (Menges)
Briefings on Nicaragua for key Congressional members and staffers. North on NU aggression and external involvement, Burghardt on diplomatic situation.	NSC (North) (Burghardt)
Supervise preparation and assignment of articles directed to special interest groups at rate of one per week beginning March 18 (examples: article on Nicaraguan educational system for NEA, article by retired military for Retired Officers Association, etc.).	State/LPD
Assign agencies to draft one op-ed piece per week for signature by Administration officials. Specify themes for the op-eds and retain final editorial rights.	NSC (Menges)
Conduct public opinion poll of America attitudes toward Sandinistas, freedom fighters.	WH (Rollins)
National Press Club news conference for FDN commanders Bermudez, Tigrillo, Mike Lima (March 5) (follow-on Congressional visits (March 6) (completed).	State/LPD (Gomez) (Kuykendall)
Martha Lida Murillo (9 yr old atrocity victim) visit to Washington--media interviews, Congressional visits, possible photo-op with First Lady (March 6-8) (completed).	State/LPD (Gomez) (Kuykendall) (WH/OPL)

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March 9-15, 1985

Event	Responsibility
WH/Legislative Affairs, State/H and ARA complete list of key Congressmen interested in Nicaragua.	State/H(Ball/Fox) WH/LA State/ARA (Michel/Holwill)
Intelligence briefing for White House Administration and senior staff by CIA (Vickers, Room 208, OEOB, 30 minutes).	NSC (North)
Brief Presidential meeting with Lew Lehrman and other leaders of the influence groups working on MX and resistance funding.	NSC (Raymond) (North)
State/LPD and WH Media Relations prepare a list of key mediaoutlets interested in Central American issues, including newspapers, radio, and TV stations (including SIN). Where possible identify specific editors, commentators, talk shows, and columnists.	NSC (North) State/LPD (Miller)
NSC update talking points on aid to Nicaraguan freedom fighters.	NSC (North)
Briefings in OEOB for members/Senators: Shultz, McFarlane, Gorman, and Shlaudeman to brief Lehman (requires General Gorman to be placed on contract).	NSC (North) (Lehman)
Call/visit newspaper editorial boards and give them background on the Nicaraguan freedom fighters.	State/LPD(Reich) WH/PA NSC (North)
Brief OAS members in Washington and abroad on second term goals in Central America. Explore possible OAS action against Nicaragua.	OAS(Middendorf) NSC (Menges) State/LPD(Reich)
Results due on public opinion survey to see what turns Americans against Sandinistas (March 13).	NSC (Hinckley)
VP at Brazilian inauguration. Discuss possible OAS initiative on Nicaragua with Core Four, Colombia, Brazil, and Uruguay (March 15 and 16).	VP (Hughes)
Production and distribution of La Prensa chronology of FSLN harassment.	State/LPD (Reich)
Prepare a "Dear Colleagues" ltr for signature by a responsible Democrat which counsels against "negotiating" with the FSLN.	NSC (Lehman)

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March 16-22, 1985

Event	Responsibility
Joachim Maitre--Congressional meetings, speeches, and op-ed pieces.	State/LPD (Kuykendall)
Review and restate themes based on results of public opinion poll.	State/LPD (Reich) NSC (North) (Raymond)
Presidential drop-by at briefing for American evangelicals on MX and Nicaraguan resistance.	WH/OPL (Reilly) NSC (North)
Congressional hearings (Foreign Relations/Affairs) and testimony by Nicaraguan emigres and atrocity victims.	WH/LA NSC (North) (Lehman)
Prepare document on Nicaraguan narcotics involvement.	Justice (Mullen)
SSCI CODEL Boren, Rockefeller, McConnell, and Wilson [redacted] for meetings with resistance (March 15-19).	NSC (North) (Lehman)
VP in Honduras; meeting with Pres Suazo (March 16).	VP (Hughes)
Argentine state visit; President emphasize need for OAS case (March 19).	WH (Elliott)
Pastora, Calero, and Cruz meeting with Congressional Hispanic Caucus (Jorge Mas) (March 20) (try for week later).	

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March 23-31, 1985

Event	Responsibility
Rev. Vallardo Antonio Santeliz (Pentecostal Minister atrocity victim)--Congressional/ media meetings (March 22-23).	State/LPD (Kuykendall) (Gomez)
McFarlane, Friedersdorf meeting with key Congressional leadership (Rm 208 or WHSR) to brief situation and proposed course of action (March 23-25).	WH/LA NSC (Lehman) (North)
Presidential breakfasts, lunches, and WHSR meetings with key Congressional leaders (March 24 through vote).	
Pedro Juaquin Chamorro (Editor La Prensa) U.S. media/speaking tour (March 25-April 3)	State/LPD (Miller/Gomez)
President to meet in Room 450 w/"Spirit of Freedom," concerned citizens for Democracy. Representatives from 8 countries (180) (March 25).	
Event near Nicaraguan Embassy (March 25).	
Release of DOD/State paper on Soviet/Cuban/ Nicaraguan intentions in the Caribbean; possible WH backgrounder.	State/LPD (Reich) WH/PA (Sims)
Distribute Bernard Nietschmann paper on suppression of Indians by FSLN.	State/LPD
Antonio Farach (Former FSLN Intelligence Officer)--media and Congressional meetings regarding Sandinista espionage, intelligence activities.	Republican Study Committee
Invite President's Duarte, Monge, Suazo, and Barletta to a very private meeting in Texas with key Congressional leaders so that CODEL can hear unvarnished concerns re Sandinistas and Democratic leaders' support for the FDN.	(Kuykendall) NSC (North)
Release paper on Nicaraguan media manipulation.	State/LPD
Publish and distribute as State Department document Nicaragua's Development as Marxist-Leninist State by Linn Poulsen.	State/LPD (Reich)

UNCLASSIFIED

April 1-7, 1985

Event	Responsibilit
AEI: Sponsor media events w/print and television media for Central America resistance leaders (April 1-7).	
European Parlimentary delegation to meet with President Reagan (April 2).	National For Foundation WH/OPL (Reill
Visit by Colombian President Betancur (April 3-4); possible Joint Session speech.	
Presidential television address on situation in Central America (April 4).	WHSpeechwrite (Elliott)
Second round of SFRC hearings on Soviet build-up in region (Helms) (prior to recess).	State/H
CODEL visits during recess (April 4-14). Nicaraguan refugee camps in Honduras and Costa Rica (include visit to freedom fighter base camp and hospital [redacted]	NSC (North) (Lehman)
CODEL visit during recess (April 4-14) with regional leaders of Central America. Regional leaders convey importance of resistance fighters in NU.	NSC (North) (Lehman)
Administration and prominent non-USG spokesman on network shows regarding Soviet, Cuban, East German, and Libyan, Iranian connection with Sandinistas.	WH/PA (Sims) WH (Buchanan) State/LPD
Publish updated "Green Book;" distribute personally to Congressmen, media outlets, private organizations, and individuals interested in Nicaragua. Pass to Lew Lehrman and other interested groups.	State/LPD (Reic WH/LA State/H (Fox)
Distribute paper on geopolitical consequences of Communist domination of Nicaragua.	State/LPD
Release DEA paper on Nicaraguan drug involvement.	Justice (Mulle NSC (North)
Presidential meeting with AAA.	NSC (North)

UNCLASSIFIED

April 8-14, 1985 (During recess)

Event	Responsibility
25 Central American spokesmen arrive in Miami for briefing before departing to visit Congressional districts. Along with national television commercial campaign in 45 media markets.	CFA (Abramoff)
Targeted telephone campaign begins in 120 Congressional districts. CITIZENS FOR AMERICA district activists organize phone-tree to targeted Congressional offices encouraging them to vote for aid to the freedom fighters in Nicaragua.	CFA (Abramoff)
Lew Lehrman speaking tour of major U.S. cities.	CFA
Telephone campaign.	
Central American spokesmen conduct rallies throughout the country in conjunction with CITIZENS FOR AMERICA activists (starting April 12).	CFA
Nationally coordinated sermons about aid to the freedom fighters are conducted (April 14).	
Naval Institute Seminar in Newport, RI (Lugar, McFarlane [April 12]).	

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April 15-21, 1985

Event	Responsibility
Nicaraguan Refugee Fund (NRF) dinner, Washington, DC; President as Guest of Honor (April 15).	State/LPD (Miller) NSC (Raymond)
Presidential report to Congress on reasons for releasing funds to freedom fighters (April 15).	NSC State
AAA available to Washington press.	State/LPD (Gomez)
Major rally in the Orange Bowl in Miami, Florida, attended by President Reagan and important Administration figures (April 16).	Cuban American National Foundation
Central American spokesmen visit Congressional offices on Capitol Hill (April 16).	Abramoff
SFRC Nicaraguan issues, open hearing (April 16-17).	
Washington conference "Central America: Resistance or Surrender" (Presidential drop-by?) (April 17).	NSC Abramoff
Barnes' subcommittee hearing on Nicaragua; Motley, public witnesses (April 18) (2170 Rayburn, 2:00 p.m.).	
Presidential Radio Address (April 20).	WH (Elliott)

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April 22-29, 1985

Event	Responsibility
House Appropriations (Obey subcommittee) intelligence brief on Central America/ Latin America (April 23).	
Obey subcommittee (panel on Central America), public witnesses (a.m.)/Administration witnesses (p.m.) (April 24).	
Presidential calls to key members.	WH (Friedersdorf) NSC (Lehman)

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April 30-, 1985

Event Responsibility

Vote in the U.S. Congress on aid to the Nicaraguan freedom fighters (April 30).

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March 20, 1985

CHRONOLOGICAL EVENT CHECKLIST

February 21-28, 1985 (completed)

Event	Responsibility
Send resource book on the Contadora process process to congressmen, media outlets, private organizations and individuals interested in Nicaragua.	State/LPD (Miller)
FDN to select articulate freedom fighters with proven combat records and to make them available for contact with U.S. media representatives.	NSC (North)
Assign U.S. intelligence agencies to research, report, and clear for public release Sandinista military actions violating Geneva Convention/ civilized standards of warfare.	NSC (North) (Raymond)
Prepare themes for approaches to Congressmen based on overall listed perceptions which will directly attack the objections listed above.	NSC (North)
Encourage U.S. media reporters to meet individual FDN fighters with proven combat records and media appeal.	NSC (North) State/LPD (Gomez)
Contact internal eyewitnesses/victims to testify before Congress about their abortive attempts to deal with the FSLN (deadline March 15).	NSC (North)

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Event	Responsibility
April 22-29, 1985	
Proposed visit to Washington by Presidents Monge, Duarte, and Suazo.	NSC (North) S/ARA (Michel)
Presidential calls to key members.	WH (Friedersdorf) NSC (Lehman)
Major rally in the Orange Bowl in Miami, Florida, attended by President Reagan and important Administration figures (April 28).	Cuban American National Foundation
April 30, 1985	
Proposed Congressional vote; President leaves for Europe.	

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March 1-8, 1985

Event	Responsibility
Prepare list of publicly and privately expressed Congressional objections to aiding resistance and voting record on the issue.	WH/LA State/H
Provide State/H with a list of Nicaraguan emigres and freedom fighters to serve as potential witnesses to testify before hearings on aid to Nicaraguan freedom fighters (due March 15).	NSC (North) State/ARA (Michel) State/LPD (Reich)
Nicaraguan internal opposition and resistance announce unity on goals and principals (March 2, San Jose) (completed).	State/LPD (Miller) NSC (North)
Request that Zbigniew Brzezinski write a geopolitical paper which points out geopoliticalconsequences of Communist domination of Nicaragua (paper due March 20).	NSC (Menges)
Briefings on Nicaragua for key Congressional members and staffers. North on NU aggression and external involvement, Burghardt on diplomatic situation.	NSC (North) (Burghardt)
Supervise preparation and assignment of articles directed to special interest groups at rate of one per week beginning March 18 (examples: article on Nicaraguan educational system for NEA, article by retired military for Retired Officers Association, etc.).	State/LPD
Assign agencies to draft one op-ed piece per week for signature by Administration officials. Specify themes for the op-eds and retain final editorial rights.	NSC (Menges)
Conduct public opinion poll of America attitudes toward Sandinistas, freedom fighters.	WH (Rollins)
National Press Club news conference for FDN commanders Bermudez, Tigrillo, Mike Lima (March 5) (follow-on Congressional visits (March 6) (completed).	State/LPD (Gomez) (Kuykendall)
Martha Lida Murillo (9 yr old atrocity victim) visit to Washington--media interviews, Congressional visits, possible photo-op with First Lady (March 6-8) (completed).	State/LPD (Gomez) (Kuykendall) (WH/OPL)

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March 9-15, 1985

Event	Responsibility
WH/Legislative Affairs, State/H and ARA complete list of key Congressmen interested in Nicaragua.	State/H(Ball/Fox) WH/LA State/ARA (Michel/Holwill)
Intelligence briefing for White House Administration and senior staff by CIA (Vickers, Room 208, OEOB, 30 minutes).	NSC (North)
Brief Presidential meeting with Lew Lehrman and other leaders of the influence groups working on MX and resistance funding.	NSC (Raymond) (North)
State/LPD and WH Media Relations prepare a list of key mediaoutlets interested in Central American issues, including newspapers, radio, and TV stations (including SIN). Where possible identify specific editors, commentators, talk shows, and columnists.	NSC (North) State/LPD (Miller)
NSC update talking points on aid to Nicaraguan freedom fighters.	NSC (North)
Briefings in OEOB for members/Senators: Shultz, McFarlane, Gorman, and Shlaudeman to brief Lehman (requires General Gorman to be placed on contract).	NSC (North) (Lehman)
Call/visit newspaper editorial boards and give them background on the Nicaraguan freedom fighters.	State/LPD(Reich) WH/PA NSC (North)
Brief OAS members in Washington and abroad on second term goals in Central America. Explore possible OAS action against Nicaragua.	OAS(Middendorf) NSC (Menges) State/LPD(Reich)
VP at Brazilian inauguration. Discuss possible OAS initiative on Nicaragua with Core Four, Colombia, Brazil, and Uruguay (March 15 and 16).	VP (Hughes)
Prepare a "Dear Colleagues" ltr for signature by a responsible Democrat which counsels against "negotiating" with the FSLN.	NSC (Lehman)

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March 16-22, 1985

Event	Responsibility
Results due on public opinion survey to see what turns Americans against Sandinistas (March 20).	NSC (Hinckley)
Joachim Maitre--Congressional meetings, speeches, and op-ed pieces.	State/LPD ✓ (Kuykendall)
Review and restate themes based on results of public opinion poll.	State/LPD (Reich) NSC (North) (Raymond)
Presidential drop-by at briefing for American evangelicals on MX and Nicaraguan resistance.	WH/OPL (Reilly) NSC (North)
Congressional hearings (Foreign Relations/ Affairs) and testimony by Nicaraguan emigres and atrocity victims.	WH/LA NSC (North) (Lehman)
Prepare document on Nicaraguan narcotics involvement.	Justice (Mullen)
SSCI CODEL Boren, Rockefeller, McConnell, and Wilson [redacted] for meetings with resistance (March 15-19).	NSC (North) ✓ (Lehman)
VP in Honduras; meeting with Pres Suazo (March 16).	VP (Hughes)
Argentine state visit; President emphasize need for OAS case (March 19).	WH (Elliott)
Pastora and Calero meeting with Congressional Hispanic Caucus (Jorge Mas) (March 20).	
Production and distribution of La Prensa chronology of FSLN harassment.	State/LPD ✓ (Reich)

March 23-31, 1985

Event	Responsibility
Rev. Vallardo Antonio Santeliz (Pentecostal Minister atrocity victim)--Congressional/media meetings (March 22-23).	State/LPD (Kuykendall) (Gomez)
McFarlane, Friedersdorf meeting with key Congressional leadership (Rm 208 or WHSR) to brief situation and proposed course of action (March 23-25).	WH/LA NSC (Lehman) (North)
Presidential breakfasts, lunches, and WHSR meetings with key Congressional leaders (March 24 through vote).	
Pedro Juaquin Chamorro (Editor *La Prensa*) U.S. media/speaking tour (March 25-April 3)	State/LPD (Miller/Gomez)
President to meet in Room 450 w/"Spirit of Freedom," concerned citizens for Democracy. Representatives from 8 countries (180) (March 25).	✓
Release of DOD/State paper on Soviet/Cuban/Nicaraguan intentions in the Caribbean; possible WH backgrounder.	State/LPD(Reich) ✓ WH/PA (Sims)
Distribute Bernard Nietschmann paper on suppression of Indians by FSLN.	State/LPD
Antonio Farach (Former FSLN Intelligence Officer)--media and Congressional meetings regarding Sandinista espionage, intelligence activities.	Republican Study Committee
Invite President's Duarte, Monge, Suazo, and Barletta to a very private meeting in Texas with key Congressional leaders so that CODEL can hear unvarnished concerns re Sandinistas and Democratic leaders' support for the FDN.	(Kuykendall) NSC (North)
Release paper on Nicaraguan media manipulation.	State/LPD
Publish and distribute as State Department document *Nicaragua's Development as Marxist-Leninist State* by Linn Poulsen.	State/LPD (Reich)
Declassify *Nicaragua's Development as a Marxist-Leninist State* by Linn Jacobowitz Poulsen for publication as State Department document (clearance request w/Casey).	State/LPD (Blacken)

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April 1-7, 1985

Event	Responsibility
Request Bernard Nietschmann to update prior paper on suppression of Indians by FSLN (to be published and distributed by April 1).	State/LPD (Blacken)
AEI: Sponsor media events w/print and television media for Central America resistance leaders (April 1-7).	State/LPD ✓ (Reich) WH/OPL (Reilly)
European Parlimentary delegation to meet with President Reagan (April 2).	National Forum ✓ Foundation WH/OPL (Reilly)
Visit by Colombian President Betancur (April 3-4); possible Joint Session speech by Betancur.	
Proposed Presidential television address on Nicaragua (April 4).	WHSpeechwriters (Elliott) NSC (North)
Second round of SFRC hearings on Soviet build-up in region (Helms) (prior to recess).	State/H
CODEL visits during recess (April 4-14). Nicaraguan refugee camps in Honduras and Costa Rica (include visit to freedom fighter base camp and hospital [redacted]	NSC (North) ✓ (Lehman)
CODEL visit during recess (April 4-14) with regional leaders of Central America. Regional leaders convey importance of resistance fighters in NU.	NSC (North) (Lehman)
Administration and prominent non-USG spokesman on network shows regarding Soviet, Cuban, East German, and Libyan, Iranian connection with Sandinistas.	WH/PA (Sims) ✓ WH (Buchanan) State/LPD
Publish updated "Green Book;" distribute personally to Congressmen, media outlets, private organizations, and individuals interested in Nicaragua. Pass to Lew Lehrman and other interested groups.	State/LPD(Reich) WH/LA State/H (Fox)
Distribute paper on geopolitical consequences of Communist domination of Nicaragua.	State/LPD
Release paper on Nicaraguan drug involvement.	State/LPD (Blacken) NSC (North)

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April 8-14, 1985 (During recess)

Event	Responsibility
25 Central American spokesmen arrive in Miami for briefing before departing to visit Congressional districts. Along with national television commercial campaign in 45 media markets.	CFA (Abramoff)
Targeted telephone campaign begins in 120 Congressional districts. CITIZENS FOR AMERICA district activists organize phone-tree to targeted Congressional offices encouraging them to vote for aid to the freedom fighters in Nicaragua.	CFA (Abramoff)
Lew Lehrman speaking tour of major U.S. cities.	CFA
Telephone campaign.	
Central American spokesmen conduct rallies throughout the country in conjunction with CITIZENS FOR AMERICA activists (starting April 12).	CFA
Nationally coordinated sermons about aid to the freedom fighters are conducted (April 14).	
Naval Institute Seminar in Newport, RI (Lugar, McFarlane [April 12]).	

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April 15-21, 1985

Event	Responsibility	
Nicaraguan Refugee Fund (NRF) dinner, Washington, DC; President as Guest of Honor (April 15).	State/LPD (Miller) NSC (Raymond)	✓
Presidential report to Congress on reasons for releasing funds to freedom fighters (April 15).	NSC State	
AAA available to Washington press.	State/LPD (Gomez)	✓
Central American spokesmen visit Congressional offices on Capitol Hill (April 16).	Abramoff	✓
SFRC Nicaraguan issues, open hearing (April 16-17).		
Washington conference "Central America: Resistance or Surrender" (Presidential drop-by?) (April 17).	NSC Abramoff	✓
Barnes' subcommittee hearing on Nicaragua; Motley, public witnesses (April 18) (2170 Rayburn, 2:00 p.m.).		
Presidential Radio Address (April 20).	WH (Elliott)	

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April 22-29, 1985

Event	Responsibility
House Appropriations (Obey subcommittee) intelligence brief on Central America/ Latin America (April 23).	
Obey subcommittee (panel on Central America), public witnesses (a.m.)/Administration witnesses (p.m.) (April 24).	
Major rally in the Orange Bowl in Miami, Florida, attended by President Reagan and important Administration figures (April 28).	Cuban American National Foundation State/LPD (Reich)
Presidential calls to key members.	WH (Friedersdorf) NSC (Lehman)

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No Date

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CONGRESSIONAL/PUBLIC AFFAIRS/DIPLOMATIC ACTION PLAN

- Goal:
    - -- Congressional approval of aid to the Nicaraguan freedom fighters.
- Central Perceptions:
    - -- Vote for U.S. aid to the freedom fighters is a vital national interest of the United States.
    - -- U.S. history requires support to freedom fighters.
    - -- U.S. troops will eventually be required if aid is not given now.
    - -- Amount of aid is so miniscule that it hardly matters.
    - -- FSLN are puppets of Soviets.
    - -- Nicaragua will become a Soviet military base if not resisted.
    - -- FSLN is racist and represses human rights.
    - -- FSLN is involved in U.S. drug problem.
    - -- FSLN linked to worldwide terrorism.
    - -- FDN are freedom fighters.
    - -- Failure to vote for U.S. aid to the freedom fighters must be seen as a political liability.

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- Impediments:
    - -- Situational:
        - Deadline: Vote in mid-April 1985.
        - Possible partisan response in House.
        - Possible party-bolting in Senate.

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- Lack of polling data regarding which themes will cause Americans to share the Administration's concerns regarding Central America (Soviet military build-up, Communist state on the continent, drugs?)

-- Perceptual:

- Speculation that U.S. actions violate international law.

- Idea that U.S. actions preclude peaceful solutions in Central America.

- Belief that aid to the freedom fighters hurts "the moderates in Nicaragua."

- Idea that U.S. is "immoral" in supporting a covert action.

- Idea that resistance cannot win.

• Assets:

-- The President and his electoral mandate.

-- Respected key Administration figures (Shultz, Weinberger, McFarlane, etc.)

-- Supportive private sector organizations.

-- Some supportive Congressmen.

-- Historical U.S. policies.

-- Afghan precedent.

-- Cuban/Soviet threat.

-- Some supportive media representatives.

-- Bipartisan Commission.

-- Freedom fighters themselves.

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- Themes regarding Nicaraguan threat:
  - -- Sandinista-led Nicaragua is becoming part of the Soviet empire.
    - Soviet military build-up/connection.
    - Unabated delivery of sophisticated offensive weapons.
    - Completion of Punta Huete airbase allows surveillance of U.S. west coast naval bases. Base is large enough launch/recover all Soviet aircraft. Base threatens Panama Canal.
    - Soviets constructing a Cam Ranh Bay type facility at Bluefields on Atlantic coast (Congressional action resulted in loss of Cam Ranh Bay--same can happen with Bluefields).
  - -- Nicaraguan drug connection--exporting to U.S.
  - -- Sandinista human rights violations:
    - Press censorship
    - No right of assembly/freedom of speech
    - Forced military conscription
    - Persecution of religious groups
    - Facade of private sector economy
    - State-run unions
  - -- Iranian/Libyan/PLO/Bulgarian/East German/North Korean connection with Sandinista government.
  - -- Central American countries are fearful that U.S. will "back away" from supporting resistance and they will be consumed by their communist neighbor.
- Themes regarding freedom fighters:
  - -- Nicaraguan resistance is fighting democracy's battle.
  - -- FDN has offered to lay down arms if allowed to participate in a real democratic process.
  - -- Central American democracies are supporting the resistance.

✓ -- Over 15,000 people from all walks of life have joined the Nicaraguan resistance forces. Includes all sectors of society: farmers, students, merchants, vendors, campesinos.

✓ -- FDN are the underdogs against over 120,000 Sandinistas supported by Soviets and Cubans. Leadership of FDN is not pro-Somoza. They call themselves "the Christian Guerrillas."

-- Thousands are joining resistance despite lack of resources because it represents the ideals of the Nicaraguan people and the original goals of the revolution against Somoza.

-- Insurgents can fight and win a "cheap" war, which is very expensive for Soviets to counter.

✓ -- Goal of U.S. support for the freedom fighters is to change Sandinista behavior. We have not advocated overthrowing the government.

-- U.S. support for Contradora principals has not diminished--only way to achieve movement at negotiating table is through pressure. Without the resistance, there is no pressure on the Sandinistas.

-- U.S. cannot afford to have the image of abandoning the cause of the freedom fighters. Same is true for Afghanistan, part of American tradition to support those struggling for freedom against tyranny.

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April 17, 1985

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SENSITIVE

CALENDAR OF EVENTS REGARDING NICARAGUAN RESISTANCE

Event	Responsibility
April 17, 1985	
McFarlane (9:00-9:30 a.m.) to meet with House Republicans Conference (chaired by Jack Kemp) (Motley 9:30-9:40 a.m).	Friedersdorf
Meeting with full Senate Appropriations Committee in Cabinet Room on Nicaragua (9:30-10:30 a.m.) (not firm).	Friedersdorf C. Lehman Ball
Barnes subcommittee hearing (Sol Linowitz, Tony Motley, Archbishop Hickey, Penn Kemble, and Congressman Courter, 311 Cannon, 10:00 a.m.).	Friedersdorf C. Lehman Ball
CFA Conference at Dirksen SOB, Rm 628 "Central America: Resistance or Surrender (McFarlane) (12:30-12:55 p.m.).	North Small
Phone calls to one or one on ones with Senators regarding Nicaragua (30 minutes).	Friedersdorf C. Lehman Ball
Presidential meetings with members of Congress (3:30 and 4:45 p.m.).	Friedersdorf C. Lehman Ball
AAA available to Washington press.	Reich
Director Casey and Deputy Secretary Dam with Senate Select Committee on Intelligence.	Friedersdorf C. Lehman Ball
Tentative meeting with various prominent Europeans who support the President's policies in Central America. Group would leave White House for Capitol Hill and series of meetings there.	Reilly Raymond
Calero and Cruz meet with Senate Policy Committee.	
Cruz attends CDM dinner at Hyatt.	

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Event	Responsibility
April 18, 1985	
Tentative breakfast with Senate Bipartisan leadership (Appropriations, Relations, Intelligence, Armed Services) in the Family Dining Room regarding Nicaragua (April 18 or 19, 8:30-9:30 p.m.).	Friedersdorf C. Lehman Ball
Proposed Barnes' subcommittee hearings (Mary Knoll Sisters, 2172 Rayburn Bldg, 10:00 a.m.)	Friedersdorf C. Lehman Ball
SAC/STEVENS subcommittee hearing on Joint Resolution of Approval: Ambassador Motley (tentative--morning).	Friedersdorf C. Lehman Ball
Presidential remarks during lunch at media relations briefing for targetted regional press on budget and Nicaragua in State Dining Room (noon).	Buchanan Speakes Elliott Small
SAC/FULL committee mark-up of Joint Resolution of Approval (afternoon).	Friedersdorf C. Lehman Ball
Tentative cocktails with 2-3 Senators in the President's residence (6:00-6:30 p.m.).	Friedersdorf C. Lehman Ball
Proposed senior Administration officials, prominent U.S. private citizens, Nicaraguan Resistance leaders, to appear on network morning talk shows (April 18-19 and 22-23).	Sims Small Reich Kalb
Proposed closed door briefing to all Senators by Secretary Shultz and Bud McFarlane in S-407.	Friedersdorf C. Lehman Ball North/Michel
Cruz and Payan testify before Barnes' subcommittee.	
Proposed release of paper on Sandinista connections with Middle East terrorists and organizations.	Reich
Press conference with four Commanders of FDN.	

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17 Dec 85

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NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

December 17, 1985

Dear Mr. Darlington:

In supporting the President's policy on Nicaragua, the National Endowment for the Preservation of Liberty does all Americans a great service.

Your support of their efforts and the cause of freedom in Nicaragua will bring success in the struggle for democracy throughout Central America. Freedom is worth sacrificing for and young men and women do so everyday in Nicaragua. We salute you for your sacrifices to help achieve democracy. May God bless you.

Sincerely,

Oliver L. North
Deputy Director,
Political Military Affairs

Mr. Frank Darlington
[redacted]

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ATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

December 17, 1985

Dear Mr. Salwasser:

In supporting the President's policy on Nicaragua, the National Endowment for the Preservation of Liberty does all Americans a great service.

Your support of their efforts and the cause of freedom in Nicaragua will bring success in the struggle for democracy throughout Central America. Freedom is worth sacrificing for and young men and women do so everyday in Nicaragua. We salute you for your sacrifices to help achieve democracy. May God bless you.

Sincerely,

Oliver L. North
Deputy Director,
Political Military Affairs

Mr. Melvin Salwasser
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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

December 17, 1985

Dear Mr. Bush:

In supporting the President's policy on Nicaragua, the National Endowment for the Preservation of Liberty does all Americans a great service.

Your support of their efforts and the cause of freedom in Nicaragua will bring success in the struggle for democracy throughout Central America. Freedom is worth sacrificing for and young men and women do so everyday in Nicaragua. We salute you for your sacrifices to help achieve democracy. May God bless you.

Sincerely,

Oliver L. North
Deputy Director,
Political Military Affairs

Mr. Bill Bush
Privacy [redacted]

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24 JAN 86

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Ellen:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

Last year was a challenging time for America and her President. But, we are headed in the right direction. Today, in all of Central America only Nicaragua is not a democracy. You can be proud that you have made a crucial contribution in helping our President in this vital endeavor. In the weeks ahead, we will commence a renewed effort to make our assistance to the Democratic Resistance Forces even more effective. Once again your support will be essential.

All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

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Mrs. St. John Garwood
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NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear Mrs. Haley:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

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by K. Johnson, National Security Council

Mrs. Rosalind K. Haley
[redacted]

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5491

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NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear Mr. Hillman:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North

Oliver L. North
Deputy Director
Political-Military Affairs

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[illegible]
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Mr. Tatnall Lea Hillman
PRIVACY [redacted]

5491

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NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear Bunker:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

Last year was a challenging time for America and her President. But, we are headed in the right direction. Today, in all of Central America only Nicaragua is not a democracy. You can be proud that you have made a crucial contribution in helping our President in this vital endeavor. In the weeks ahead, we will commence a renewed effort to make our assistance to the Democratic Resistance Forces even more effective. Once again your support will be essential.

All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

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by K. Johnson, National Security Council

Mr. Nelson Bunker Hunt
[redacted]

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NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear Mr. Lee:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

Last year was a challenging time for America and her President. But, we are headed in the right direction. Today, in all of Central America only Nicaragua is not a democracy. You can be proud that you have made a crucial contribution in helping our President in this vital endeavor. In the weeks ahead, we will commence a renewed effort to make our assistance to the Democratic Resistance Forces even more effective. Once again your support will be essential.

All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

ially ~~[illegible]~~/Released on 11 FEB88
~~[illegible]~~
by K. Johnson, National Security Council

Mr. James Arthur Lee
[redacted]

PRIVACY

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Mrs. Lynch:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

artially ~~Declassified~~/Released on 11 FEB 88
~~under provisions of E.O. 12356~~
by K. Johnson, National Security Council

Mrs. Martha Lynch
PRIVACY [redacted]

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear Mrs. McKinley:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North

Oliver L. North
Deputy Director
Political-Military Affairs

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~~under provisions of E.O. 12356~~
by K. Johnson, National Security Council

Mrs. Evelyn McKinley

PRIVACY [redacted]

0769

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear Mr. Mosbacher:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

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~~under provisions of E.O. 12356~~
by K. Johnson, National Security Council

Mr. Robert A. Mosbacher, Jr.
PRIVACY [redacted]

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear Mrs. Nelson:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Partially ~~Declassified~~/Released on 11 FEB 88
~~under provisions [illegible]~~
by K. Johnson, National Security Council

Mrs. Page Nelson
PRIVACY [redacted]

0771

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear Barbara:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

0772

Partially ~~Declassified~~/Released on 11 FEB 88
~~under provisions of E.O. 12356~~
by K. Johnson, National Security Council

Mrs. Barbara Newington
PRIVACY [redacted]

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Mrs. O'Brien:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

0773

Partially ~~Declassified~~/Released on 11 FEB 88
~~under provisions of E.O. 12356~~
by K. Johnson, National Security Council

Mrs. Mary O'Brien
PRIVACY [redacted]

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Mr. O'Neil:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

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~~under provisions of E.O. 12356~~
by K. Johnson, National Security Council

Mr. William J. O'Neil
PRIVACY [redacted]

0774

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Ms. Parker:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Partially /Released on 11 FEB 88
by K. Johnson, National Security Council

Ms. Diane William Parker
[redacted]

PRIVACY

0775

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear General Patton:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

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by K. Johnson, National Security Council

Major General George S. Patton (USA/Ret.)
PRIVACY [redacted]

0776

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear Nolan and Mary Jo:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

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~~under provisions of E.O. 12356~~
by K. Johnson, National Security Council

0777

Mr. and Mrs. Nolan Pentecost
PRIVACY [redacted]

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear Mrs. Pierce:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

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[illegible]
by K. Johnson, National Security Council

Mrs. Julius E. Pierce
PRIVACY [redacted]

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear John and Nancy:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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Oliver L. North
Deputy Director
Political-Military Affairs

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by K. Johnson, National Security Council

Mr. and Mrs. John Ramsey, Jr.
PRIVACY [redacted]

0779

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16 APR 85

CONFIDENTIAL

April 16, 1985

~~CONFIDENTIAL~~

SENSITIVE

208 GROUP

Spokesman to be Used

Administration

The President
The Vice President
Secretary George Shultz
Secretary Caspar Weinberger
Robert McFarlane
Patrick Buchanan
Donald Regan
Kenneth Dam
Michael Armacost
Amb Langhorne (Tony) Motley
Amb Otto Reich
Elliott Abrams
Jim Michel
Bob Reilly

Shows to be contacted

Brinkley (ABC)
GMA (ABC)
Nightline (ABC)
Today (NBC)
Meet the Press (NBC)
CBS Morning News
Face the Nation (CBS)
Nightwatch (CBS)
McNeil-Lehrer (PBS)
Capitol Journal (PBS)
Freeman Reports (CNN)
Crossfire (CNN)
Take Two (CNN)
Newsmake Saturday (CNN)
From the Editor's Desk (INN)
C-SPAN
700 Club (CBN)
Larry King
Phil Donahue
All Things Considered (NPR)
Morning Edition (NPR)

Congress

Richard Lugar
Newt Gingrich
Henry Hyde
Robert Livingston
Robert Lagormarsino
Robert Dornan
Vin Weber
Jack Kemp

Private Sector

Amb Jeane Kirkpatrick
John Silber
Z. Brzezinski
Norman Podhoertz (?)
James Schlesinger
Michel Ledeen
Adolfo Calero
Arturo Cruz
Alfonso Robelo

Op-Ed Targets

* Wall Street Journal
* New York Times
* Washington Post
* USA Today
LA Times
Christian Science Monitor
20 Major Regional Dailies
(egs. Charlotte Observer,
Dallas Morning News,
Houston Post)

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by K. Johnson, National Security Council

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* In draft

UNCLASSIFIED

CONFIDENTIAL

1391

~~CONFIDENTIAL~~
Declassify: OADR

SENSITIVE

No Rate

DRAFT **UNCLASSIFIED**

MEMORANDUM FOR MR. ROBERT C. McFARLANE
THE WHITE HOUSE

SUBJECT: Request For Presidential Appointment For Barbara Newington

Mrs. Barbara Newington has given $422,000 to programs designed to support the policies of Ronald Reagan. She has given contributions to the American Conservative Trust to buy air time for television ads supporting President Reagan's request for funds for the freedom fighters in Nicaragua, the Trust's get-out-the-vote ads in the 1984 election, pro-Reagan defense policy print ads and a special Presidential inaugural thank-you. She ~~also~~ provided the Nicaraguan Refugee Fund dinner with a sizable contribution. [illegible]

Attached is a list of these contributions for your review.

The Department requests that Mrs. Newington have an opportunity to meet President Reagan. She is a very shy and retiring person who admires him very much. This lady is prepared to support the President at every turn and against all odds. The Department believes she has earned at least a five-minute photo opportunity.

She will be in the O/EOB on Tuesday, June 25, and the Department requests the time on the President's schedule then, or as a fallback, Thursday, June 27 (before 5:00 PM, if possible).

Attachment:

List of contributions.

[redacted] Declassified/Released on 10Feb88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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1810

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- 2 -

CONTRIBUTIONS

Total Contributions
Prominent Examples

		$ [illegible] 891 [illegible]
		$ ~~[illegible],000.00~~
1.	Get-out-the-vote ads (five states)	95,[illegible]00.00
2.	Presidential inaugural congratulations The New York Times The Wall Street Journal The Washington Post	73,100.00 ~~17,000.00~~
3.	Reagan defense policy ads	50,000.00
4.	Nicaraguan Refugee Fund dinner	[illegible].000.00
5.	Nicaragua policy ads, first vote	75,000.00
6.	Nicaragua policy ads, second vote	
~~7.~~	~~(To be provided by [illegible] Miller)~~	~~[illegible],000.00~~
	TOTAL	~~[illegible],900.00~~

[illegible]

30,[illegible]0

33,800
[illegible]
7,800

RM 03554

[illegible]

0782

UNCLASSIFIED

NO ACT'C

DEAR ______,

IN SUPPORTING THE PRESIDENT'S POLICY IN NICARAGUA THE NATIONAL ENDOWMENT FOR THE PRESERVATION OF LIBERTY DOES ALL AMERICANS A GREAT SERVICE.

YOUR SUPPORT OF THEIR EFFORTS AND THE CAUSE OF FREEDOM IN NICARAGUA WILL BRING SUCCESS. FREEDOM IS WORTH SACRIFICING FOR AND YOUNG MEN AND WOMEN DO SO EVERYDAY IN NICARAGUA. WE SALUTE YOU FOR YOUR SACRIFICE TO HELP ACHEIVE DEMOCRACY IN NICARAGUA.

MAY GOD BLESS YOU,

OLIVER NORTH
LT. COL U.S. MARINES

BILL SHAW

FRANK [illegible]

PRIVACY [redacted]

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under provisions of E.O. 12356
by K. Johnson, National Security Council

MELVIN SULWASSER

PRIVACY [redacted]

5494

No Date

UNCLASSIFIED

[redacted]

INTERNATIONAL DIVISION

[redacted]

NEW YORK, N.Y.

ACCOUNT NUMBER [redacted]

FOR: FED

(5495)

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under provisions of E.O. 12356
by K. Johnson, National Security Council

0784

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ACCOUNT [redacted]
[redacted]
INTERNATIONAL DIVISION
[redacted] [redacted]
NEW YORK, N.Y.
CREDIT TO THE ACCOUNT OF
[redacted]
ACCOUNT
FED NO: [redacted]

5495

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under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

[redacted]
Account No. [redacted]
[redacted]
Account Executive: [redacted]
TLX [redacted]

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under provisions of E.O. 12356
by K. Johnson, National Security Council

0786

UNCLASSIFIED

[redacted]

MIAMI FLA
33131
TLX - [redacted]
AC -
500,000

75 to [redacted]
5 to
Jim call Dick
[illegible]

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under provisions of E.O. 12356
by K. Johnson, National Security Council

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UNCLASSIFIED

[redacted] Acct
[redacted]
Miami Fla
[redacted]
Acct [redacted]
Recipient will not know
20K/mo.

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by K. Johnson, National Security Council

5495

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[redacted]

NIN

ATN

Act.

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TLX

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under provisions of E.O. 12356
by K. Johnson, National Security Council

5495

UNCLASSIFIED

Repair [illegible] [illegible]
in [redacted]

$575,000.00 Extension of hangar
drape L-100

guaranteed delivery

E17/

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under provisions of E.O. 12356
by K. Johnson, National Security Council

5495

UNCLASSIFIED

50,000.00

[redacted]

[redacted]

$30,000.00 WOULD BE NEAT

$20,000.00 TO INDIANS

[redacted]

5495

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under provisions of E.O. 12356
by K. Johnson, National Security Council

MEMORANDUM

NATIONAL SECURITY COUNCIL RH 14:70

NAME	REPRESENTING	PHONE #
OLIVER NORTH	NSC	[redacted]
NESTOR SANCHEZ	DOD	
Frank Gómez	I.B.C.	
RICH MILLER	I.B.C.	
OTTO REICH	STATE	
WALT RAYMOND	NSC	
Johnathan Miller	State	
Jeff Bell	CfA	
Jack Abr[illegible] M	CFA	

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24 Sep 85

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United States Department of State

Coordinator of Public Diplomacy for Latin America and the Caribbean

Washington, D.C. 20520

S
31

September 24, 1985

MEMORANDUM

TO: S/S-EX - Mr. Pat Kennedy

FROM: S/LPD - Otto Reich

SUBJECT: A Contract for International Business Communications

This is to request a fixed-priced contract for International Business Communications (IBC) in the amount of $278,725. This contract will begin October 1, 1985, and will end September 30, 1986.

Total cost of contract is based on similar services rendered in FY 1985 by International Business Communications to S/LPD, and additional services involving distribution of S/LPD publications, as follows:

Salaries	
Two senior partners 50% of time $5,000 per month for 12 months	$60,000
Three I.B.C. staff members 35% of time $1,500 per month for 12 months	18,000
Representation	4,000
Translation of articles, speeches, written materials	4,000
Interpretation fees	2,500

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by K. Johnson, National Security Council

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Miller EX 31

0793 9/15/87

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Materials and Distribution	
Postage	2,000
Messenger/courier	1,500
Telex	2,000
Telephone	3,000
Photocopies	2,000
Purchase of books, materials	2,000
Photographic services	1,500
Event Coordinaton	
Room Rental	3,500
Audio-Visual, Equipment Rental	1,000
Secretarial Services	1,000
Travel Expenses	
I.B.C. Principals	10,000
Other	8,000
Taxi	1,500
Sub-total	$127,500

Distribution

Salary for Direct Mail Professional (1 year)	50,000
Salary for Computer Specialist (1 year)	22,500
Furnishings/Equipment	17,500
Transportation	
Vehicle	13,000
Parking	1,000
Driver/Messenger/Clerk	16,000
Maintenance/Gas	2,000
Insurance	1,500
Telephone	2,000
Supplies	4,000
Overhead - 15%	19,725
Subtotal	$151,225
Total	$278,725

UNCLASSIFIED

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UNCLASSIFIED

The services to be rendered by IBC are critical to our public diplomacy strategy and toward increasing understanding of U.S. policy in Central America and the Caribbean.

The services and the contractual arrangement with IBC are not to be publicly disclosed because of their character, ingredients, and components.

Services will be performed at:

International Business Communications
1523 New Hampshire Avenue, N.W Suite 200
Washington, D.C. 20036

A sole-source justification is attached.

John Blacken, Deputy Coordinator of Public Diplomacy for Latin American and the Caribbean, S/LPD, shall serve as the Contracting Officer's Technical Representative (COTR). His telephone number is 632-6751.

During FY-1986, IBC will provide services under the direction of S/LPD, as follows:

1. Provide counsel and assistance to S/LPD for programs during visits to Washington and the United States of Central American representatives of political, business, and humanitarian organizations.
2. Provide S/LPD contact to Central American refugee groups and exiles in Washington and the U.S., arranging their activities to include media events, interviews, and public appearances.
3. Translate and distribute articles on Central America to United States news organizations and public-interest groups.
4. Provide points of contact for congressional and public-interest offices seeking to interview exiles and refugees.
5. Seek out and establish media and public-speaking opportunities for Nicaraguan exiles and refugees.

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6. Brief correspondents and syndicated columnists on materials and sources. Where necessary, provide on-the-ground, in-country logistical support.

7. Compose and edit letters to the editor of major newspapers and magazines in response to articles on Central America.

8. Provide S/LPD with op-ed pieces and feature articles for distribution to selected newspapers and magazines.

9. Travel to and coordinate S/LPD-directed media visits to Central America.

10. Provide source materials for journalists who contact S/LPD for information relating to the regional conflicts.

12. Provide and present briefings to individuals designated by S/LPD on security considerations, refugee problems, and political dynamics of the region.

13. Edit briefing materials created by S/LPD.

14. Maintain contact with public-policy organizations.

15. Design, organize and run a distribution system for S/LPD publications.

16. Design, develop, maintain and update specialized, computerized addressee lists.

17. Provide coordination with S/LPD and FAIM/PS for co-ordinating print runs of publications, and maintain S/LPD's publications for in-house distribution.

18. Provide inventory control, storage, mailing and shipping of S/LPD publications, both to lists and on a request basis.

19. Conduct special studies and projects as may be required.

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Because of the start-up investment required for the distribution segment of this contract, payment schedule should be as follows;

1. $30,000 each month for October and November, 1985.
2. Beginning December, 1985, payments each month of $21,872.50.

The completed contract and payment checks should be sent to;

International Business Communications
1523 New Hampshire Avenue, NW, Suite 200
Washington, D. C. 20036

Thank you for your assistance in processing this request.

Drafted by:S/LPD:FGardner:632-6751
9/24/85
Cleared:S/LPD:JBlacken

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SOLE-SOURCE JUSTIFICATION

S/LPD is tasked with the coordination of Latin American public diplomacy efforts. Some of the major components of this effort are as follows:

- An ability to respond to major media outlets and to inform the American public regarding current Administration policies and programs.
- A responsibility to present to American audiences, by way of public appearances, panel shows, and press conferences, those vicitims and eye witnesses from the region who can demonstrate the truth about communist-supported political and military oppression, human rights violations, and acts of terrorism.
- Formulation and maintenance of a basic kit for selected speakers to present declassified and unclassified material to a wide range of American audiences.
- The preparation and distribution of one-page briefs to address frequently stated criticism of U.S. policy in the region.
- Publication and distribution of documents involved with U.S. public diplomacy.

International Business Comunications (IBC), with its staff of ten persons, is uniquely qualified to continue its work in this effort, such projects which are beyond the capabilities of the limited S/LPD staff to undertake. Some of the unique features of IBC are as follows:

- Full-staff language capacity in Spanish.
- In-depth files on Central American countries.
- Trust of Ncaraguan refugee groups.
- Expertise in direct mail and distribution of documents.

The senior partners of IBC are:

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- Frank Gomez, former deputy assistant secretary of state for public affairs; later, director of USIA's Foreign Press Centers; former foreign service officer in Costa Rica, Colombia, and Haiti; bilingual in Spanish.

- Richard R. Miller, former director of public affairs for AID.

Since their government service, both senior partners have traveled to and written about Central American countries and political groups.

In addition, the continuing project requires the following capabilities, all of which each senior partner has:

- Top Scret security clearance.
- Expertise in Central American affairs.
- Understanding of U.S. policy in the region .
- Knowledge of how the American news media works.
- Insight into the design of public information strategies.
- Superior writing skills.
- Care in the handling of sensitive documents.
- Good judgement in compling information for public consumption.
- Ability: To write "talking points."
  - To prepare and maintain speaker kits.
  - To analyze media reporting.
  - To interact with senior government officials.

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Invoice # DOS1-85A
Contract # 1001-602066

September 16, 1986
Page 2

	September	Cumulative
Direct Labor	$ 9,867.49	$ 96,159.66
G & A (16.86%)	1,663.66	16212.52
Overhead (89.485)	8,829.43	86,043.66
Other Direct Costs	3,781.53	29,225.91
Total Costs	24,142.11	227,641.74
Fee (6.33%)	1,528.20	14,409.73
Month Total	$25,670.31	$242,051.47

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276.186.00
242,051.47
34.134.53

2 6, [illegible]
25 670.31
242,051.47

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Employee Name [illegible]

Pay Period September 1986

Project Numbers

Date	Description of Work Performed	LEAVE	[illegible]	[illegible]	Total Hours
9/1	Labor Day	8			
9/2	Database / computers		10		
9/3	[illegible]		[illegible]		
9/4	[illegible]		11		
9/5	Database		9.5		
9/6	Database / organizing/sorting		4.5		
9/7	Database / [illegible]		7.5		
	WEEK TOTAL				
9/8	Database; [illegible]; INDEX [illegible]		15		
9/9	Database; correcting structure		10.5		
[illegible]	[illegible]		[illegible]		
[illegible]	[illegible]		[illegible]		
	[illegible]			[illegible]	
9/1[illegible]	Mtg Kagan, database [illegible], admin		9.5		
9/1[illegible]	Database, mgmt docs, [illegible]		4		
	WEEK TOTAL				
~~[illegible]~~					
9/15	Database, [illegible], admin		10.5		
9/16	[illegible]		10		
9/17	Mtgs, MCE [illegible]				
	[illegible] phone calls		10.5		
[illegible]	[illegible]				
	[illegible]		5		
	WEEK TOTAL				
[illegible]	[illegible] docs		[illegible]		
[illegible]	dbase, admin		3.5		
[illegible]	Management docs		11		
[illegible]	[illegible], admin		10		
9/[illegible]	admin, dbase		9.5		
9/25	Inventory [illegible] MCE				
	clean up database		10		
	WEEK TOTAL				
9/26	request, [illegible]				
	[illegible] admin		10		
9/2[illegible]	[illegible]		4		
9/2[illegible]	Admin, mgmt docs		12		

Subtotal to date

Subtotal to date

Subtotal to date

Subtotal to date

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COMPUTER LOG

DATE	TIME ON	TIME OFF	TOTAL HRS.	CLIENT
9.3.86	9:30 am	~~[illegible]~~ 11:00 am	1.5	DOS
	11:00 am	7:30 pm	8.5	DOS
9.4.86	9:30 pm	11:00 pm	1.5	DOS
9.5.86	9:00 am	12:00 noon	3	DOS
9.06.86	7:00 am	3 p	8	DOS
9.7.86	2:30 pm	10:30 pm	8	DOS
9.8.86	12:30 pm	11:30 pm	11	DOS
9.9.86	8:30 am	4:30 pm	8	DOS
9.10.86	12 noon	1 pm	1 hr	DOS
9.10.86	3:30	10 pm	7.5 hr	DOS
9.10.86	10 pm	Midnight	2 hrs	DOS
9.11	12am	3:30 am	3.5	DOS
9:11	5:30pm	11:30 pm	6 hrs	DOS
9:12	01:45 am	4:30 am	3 hrs	DOS
9:12	09:30	12:30	3 hrs	DOS
[illegible]	[illegible]	[illegible]	[illegible]	DOS
9.15	10:am	5:30	7.5	DOS
9.16	2:30	6:00	4.5	DOS
17	10: AM	6:00pm	8hrs	DOS
9:18	10:00	11:30	1.5	DOS
9.18	2:00	2:30	.5	DOS
[illegible]	10:[illegible]	[illegible]	[illegible]	DOS
[illegible]	1:30	[illegible]	[illegible]	DOS
09-24	9:30	10:30	1 hr	DOS
9.25	4:00	6pm	2 hrs	DOS
9:25	6:30pm	11:30pm	5 hrs	DOS
9.29	9am	11:30 am	[illegible]	DOS
9-30	9 AM	[illegible]	[illegible]	DOS
9.30	[illegible]	5pm	[illegible]	
9:19	11:AM	4:30	[illegible]	DOS
			135 Hours	

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PAID
check 1706 10/1/86

RCE: State

Expenses - September, 1986

Frances C. Jacobowitz

Date	Type	Amount	
09/03/86	Parking (Anthony & Williams)	$ 4.00	(DOS)
09/03/86	Parking (State)	2.00	(DOS)
09/17/83	Taxi to State	3.50	(DOS)
09/25/86	Taxi to State	3.50	(DOS)
09/26/86	Taxi to State	2.50	(DOS)
	Taxi from State	3.50	(DOS)
09/29/86	Taxi to State	2.50	(DOS)
	Taxi from State	3.50	(DOS)
Total		25.00	

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INTER ATIONS

EMPLOYEE Castina Guillei PERIOD START August 29 PERIOD END Sept 11, 86

	DATE	HOURS IN	HOURS OUT	REGULAR	OVERTIME	TOTAL
FRIDAY	08-29-86	9:00	6:00	8	1	
SATURDAY	08-30-86	7:00	3:00		8	
SUNDAY						
MONDAY	09-01-86	7:00	12:00	HOLIDAY	5	
TUESDAY	09-02-86	9:00	6:00	8	1	
WEDNESDAY	09-03-86	9:00	6:00	8	1	
THURSDAY	09-04-86	9:00	6:00	8	1	
FRIDAY	09-05-86	9:00	6:00	8	1	
SATURDAY	09-06-86	9:00	3:00		8	
SUNDAY						
MONDAY	09-08-86	9:00	6:00	8	1	
TUESDAY	09-09-86	9:00	6:00	8	1	
WEDNESDAY	09 10-86	9:00	6:00	8	1	
THURSDAY	09 11-86	9:00	6:00	8	1	

80 regular 30 Hr. O.T 110

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INTERNATIONAL BUSINESS COMMUNICATIONS

EMPLOYEE Cristina Guillen PERIOD START 09-12-82 PERIOD END 09-25-86

	DATE	HOURS IN	HOURS OUT	REGULAR	OVERTIME	TOTAL
FRIDAY	09-12-86	9:00 AM	6:00 PM	8	1	
SATURDAY	09-13-86	9:00	6:00		8	
SUNDAY	09-14-86	—	—	—	—	
MONDAY	09-15-86	9:00	6:00	8	1	
TUESDAY	09-16-86	9:00	6:00	8	1	
WEDNESDAY	09-17-86	9:00	6:00	8	1	
THURSDAY	09-18-86	9:00	6:00	8	1	
FRIDAY	09-19-86			Leave	Leave	
SATURDAY	09-20-86			–	— –	
SUNDAY	09-21-86	/	—			
MONDAY	09-22-86	/	/	Sick Leave	Sick Leave	
TUESDAY	09-23-86	9:00	6:00	8	1	
WEDNESDAY	09-24-86	9:00	5:00	8		
THURSDAY	09-25-86	—	—	Leave	Leave	

56 Reg Hours 14 hrs overtime
8 sick leave
+16 Leave "
80

56

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CA

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ANTHONY & WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

AIR RIGHTS BUILDING
SUITE [illegible]
[illegible] WISCONSIN AVENUE
[illegible]ESDA, MARYLAND
20814

DAVID R. WILLIAMS, CPA
STEVEN ANTHONY, CPA, JD

TELEPHONE
[illegible]

SEPTEMBER 30, 1986

INT'L BUSINESS COMMUN. 200 20053
(DCAA CONTRACT)
1912 SUNDERLAND PL., NW
WASHINGTON DC 20036

SERVICES RENDERED

09/03/86	MANAGEMENT ADVISORY SRVCS	MTG W/HENRY RE BILL PREP
09/03/86	MANAGEMENT ADVISORY SRVCS	& SUMMARY TO STATE DEPT
09/03/86	MANAGEMENT ADVISORY SRVCS	PREP SAMPLE DCAA BILL
09/03/86	MANAGEMENT ADVISORY SRVCS	FOR CLIENT DISCUSSION
09/03/86	MANAGEMENT ADVISORY SRVCS	REVIEW DCAA CONTRACT FILE
09/03/86	MANAGEMENT ADVISORY SRVCS	MTG W/F JACOBS RE BILL
09/03/86	MANAGEMENT ADVISORY SRVCS	PROCEDURE FOR DCAA
09/03/86	MANAGEMENT ADVISORY SRVCS	SUMMARIZE NOTES FROM MTG
09/04/86	MANAGEMENT ADVISORY SRVCS	TELCO W/F JACOBS RE DCAA
09/04/86	MANAGEMENT ADVISORY SRVCS	CONTRACT INFO
09/04/86	MANAGEMENT ADVISORY SRVCS	PREP QUESTION LIST TO
09/04/86	MANAGEMENT ADVISORY SRVCS	CLEAR WITH CLIENT
09/08/86	MANAGEMENT ADVISORY SRVCS	TELCO W/ FRAN RE A&W DCAA
09/08/86	MANAGEMENT ADVISORY SRVCS	BILLING
09/08/86	MANAGEMENT ADVISORY SRVCS	RESEARCH BILLINGS W/ DAWN
09/08/86	MANAGEMENT ADVISORY SRVCS	PREP SCH DETAILING
09/08/86	MANAGEMENT ADVISORY SRVCS	BILLINGS
09/08/86	JOURNALS, LEDGERS, BK REC-	ASSIST KM W/PREVIOUS
09/08/86	JOURNALS, LEDGERS, BK REC	CLIENT BILLINGS

TOTAL FEES	$425.00
ADD PREVIOUS BALANCE	-0-
LESS PAYMENTS RECEIVED	-0-
TOTAL DUE	$425.00

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United States Department of State
Washington, D.C. 20520

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January 15, 1985

MEMORANDUM

TO: M/COMP/GC - Ms. Anita Brown

FROM: S/LPD - Johnathan Miller

SUBJECT: Payment for Outstanding Bill

This office has received a bill from International Business Communications for services and activities accomplished for S/LPD from September through December 1984, purchase order # 1001-502074. Attached is a detailed list of services performed. The work contracted for has been delivered and we would like to request that a payment of $24,400.00 be made to:

International Business Communications
1607 New Hampshire Avenue, N.W. Suite 300
Washington, D.C. 20009

Attention: Frank Gomez

Declassified/Released on 10FEB88
under provisions of E.O. 12356
K. Johnson, National Security Council

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January 11, 1985

APPROVED FOR PAYMENT
8/8-XX
DATE

'O: S/LPD - Jonathan S. Miller

FROM: Francis D. Gomez
International Business Communications

[redacted] Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

We hereby request the payment to International Business Communications, the sum of $24,400.00, which represents payment for September through December of the purchase order agreement with your office, No. 1001-502074.

The services and activities accomplished for S/LPD under this contract are as follows:

1. The arrangement and staffing of news conferences for S/LPD directed newsmakers.
2. Creation and implementation of media plans for S/LPD directed newsmakers.
3. Writing, editing and distribution plans of Op-Ed and news articles for S/LPD officials and S/LPD designated newsmakers.
4. Presentations of regional research and findings, before White House briefings and other S/LPD briefings. Distribution of some to scholars.
5. Writing, editing and assistance in distributing, official papers to national news organizations, scholars and commentators.
6. Survey trip to Central America and preparation of Central American conference concept paper.
7. Assistance in media relations for official delegations to the United States.
8. Development and distribution of information packages to news organizations on regional topics.
9. S/LPD directed assistance to private groups developing regionally important media and speaking efforts.
10. Served as liasion with groups active in promoting democracy through programs in Central America and the United States.

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SUMMARY: The above activities were carried out at the direction of

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1-A

Enclosure I

Renewal of Existing S/LPD Contract

FY-86

Following is a breakdown of costs for diverse services to be performed on behalf of S/LPD by International Business Communications during Fiscal Year 1985-86 (October 1, 1985 to September 30, 1986). As under the current arrangement, I.B.C. requests a fixed price contract for the year, based upon similar services provided in FY-84 and FY-85. Also included is a description of the services to be provided under the renewal of the current contract, and costs and services to be included in the management of S/LPD's distribution system.

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During FY-1986, I.B.C. will provide services under the direction of S/LPD during the contractual period, as follows:

1. Provide counsel to S/LPD , assistance for programs during Washington and United States visits of Central American political, business, and humanitarian organization representatives.

2. Provide S/LPD liaison to Central American refugee groups and exiles in Washington, the U.S. and arrange their activities including media events, interviews and public appearances.

3. Translate and distribute articles on Central America to United States news organizations and public interest groups.

4. Provide point of contact for congressional and public interest offices seeking to interview exiles and refugees.

5. Seek out and establish media and public speaking opportunities for Nicaraguan exiles and refugees.

6. Brief correspondents and syndicated columnists on materials and sources. Where necessary, provide on-the-ground, in-country logistical support.

7. Compose and edit letters to the editor of major newspapers and magazines in response to articles on Central America.

8. Provide S/LPD with op-ed pieces and feature articles for distribution to selected newspapers and magazines.

9. Travel to and coordinate S/LPD-directed media visits to Central America.

10. Provide source materials for journalists who contact S/LPD for information relating to the regional conflicts.

11. Develop and present briefings to individuals designated by S/LPD on security considerations, refugee problems, and political dynamics of the region.

12. Provide briefing books on subjects designated as timely by S/LPD.

13. Edit briefing materials created by S/LPD.

14. Maintain liaison with supportive public policy organizations.

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Expenses for Above Services

Salaries	
Two senior partners 50% of time $5,000 per month for 12 months	60,000
Three I.B.C. staff members 35% of time $1,500 per month for 12 months	18,000
Representation	4,000
Translation of articles, speeches, written materials	4,000
Interpretation fees	2,500
Materials and Distribution	
Postage	2,000
Messenger/courier	1,500
Telex	2,000
Telephone	3,000
Photocopies	2,000
Purchase of books, materials	2,000
Photographic services	1,500
Event Coordination	
Room Rental	3,500
Audio-Visual , Equipment Rental	1,000
Secretarial Services	1,000
Travel Expenses	
I.B.C. Principals	10,000
Other	8,000
Taxi	1,500
	$126,500

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Enclosure II

Contract Addendum - Distribution System

FY-86

Following a thorough analysis of S/LPD resources, programs and needs, S/LPD has determined that greater efficiency and effectiveness can be achieved by including its distribution system in the I.B.C. contract for FY-85-86. In addition to the services provided under the past contract and renewed under this contract, I.B.C. will be responsible for:

1) the design and implementation of a new distribution system;

2) direct operation of the distribution system, including:

    a) development and maintenance of addressee lists
    b) computerization, coding and updating of lists
    c) retrieval, storage and mailing/shipping of individual and bulk packets of publications
    d) inventory control and reserve stocks
    e) maintenance of S/LPD's publications for in-house and request distribution
    f) systematic evaluation of the system
    g) close liaison with S/LPD and FAIM/PS for coordinating print runs, deliveries, etc.

It is understood that I.B.C. will provide the expert professional staff, the computer and related equipment, the storage and operational space, the transportation and all logistical support required for the overall management of the system.

It is further understood that in carrying out this contract, I.B.C. will have access to S/LPD packing and shipping materials, including franked envelopes, boxes and labels.

S/LPD will also provide a suitable work space in its office.

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EXPENSES FOR ABOVE SERVICES

Salary for Direct Mail Professional	$ 50,000
Salary for Computer Specialist	22,500
Furnishing/Equipment	17,500
Transportation	
Vehicle	15,000
Parking	1,000
Driver/Messenger/Clerk	16,000
Maintenance/Gas	2,000
Insurance	1,500
Telephone	2,000
Supplies	4,000
Overhead - 15%	19,725
Total	$151,225

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State Department Payments on IBC Contracts

Performance Period	Contract Number	Payment Made	
		Date	Amount
10/1/84 - 12/31/84	1001-502074	2/13/85	$24,400 –
3/1/85 – 9/30/85	1001-502160	4/22/85	12,858 –
		5/30/85	12,858 –
		7/11/85	12,858 –
		7/30/85	12,858 –
		8/28/85	12,858 –
		10/22/85	12,858 –
		11/12/85	12,858 –
			90,006
10/1/85 – 9/30/86	1001-602066	10/29/86	216,381 –
		12/11/86	25,670 –
			242,051 –
Total payments			$ 356,457 –

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INTERNATIONAL BUSINESS COMMUNICATIONS
1912 SUNDERLAND PLACE, N.W.
WASHINGTON, D.C. 20036 - 1608
TELEPHONE (202) 387-3002 TELEX 3718712 IBCUSA

Contract # 1001-602066
Invoice # DOS1-85A
September 16, 1986

To:

Robert W. Kagan
Office of Public Diplomacy for
Latin America and the Caribbean
Department of State
Room 6253
Washington, DC 20520

For services rendered, October 1, 1985 through August 31, 1986, in connection with Contract Number 1001-602066, including design and organization of a distribution system; direction of such system; creation of a segmented mailing list, including coding; distribution and storage of documents; and related services under the terms of this contract as requested by ARA/LPD.

Total due	$216,381.16

Check should be made payable to International Business Communications, and mailed to Richard R. Miller, President, at the above address.

(Costs by month are attached.)

[redacted] Declassified/Released on 10FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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INTERNATIONAL BUSINESS COMMUNICATIONS
[illegible] SUNDERLAND PLACE, N.W.
WASHINGTON, D.C. [illegible]
TELEPHONE (202) [illegible]
TELEX [illegible]

Contract # 1001-602066
Invoice # DOS1-85A
October 31, 1986

To:

Robert W. Kagan
Office of Public Diplomacy for
Latin America and the Caribbean
Department of State
Room 6253
Washington, DC 20520

For services rendered, September 1 through September 30, 1986, in connection with Contract Number 1001-602066, including organization of established distribution system; direction of such system; modification and update of the segmented mailing list, including coding; distribution and storage of documents; and related services under the terms of this contract as requested by ARA/LPD.

Total due	$25,670.00

Check should be made payable to International Business Communications, and mailed to Richard R. Miller, President, at the above address.

(See attachment)

Richard R. Miller

[redacted] Declassified/Released on 10FEB88
under provisions of E.O. 12356
by [illegible] Johnson, National Security Council

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[illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible]

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gust Direct Labor	September Hrs	Direct Labor	
160.25		0.00	
0.00		0.00	
2022.72		0.00	
0.00		0.00	
0.00		0.00	
0.00		0.00	
0.00		0.00	
1201.92		0.00	
703.31		0.00	
159.00		0.00	
0.00		0.00	
0.00		0.00	
130.53		40.00	
5203.74		40.00	
890.04		0.09	
4727.09		42.95	
3206.60			
14109.15		99.04	
898.17		6.27	12087.80
15007.32		105.31	216486.47

UNCLASSIFIED

[illegible] Expenses - [illegible] Operations [illegible]

	October	November	December	January	February	March	April	May	June	July	August	September	
	303.00		66.67			2390.76	323.00	52.20	67.30	41.00	61.90		
[illegible]	201.70	37.50	27.00	27.50	18.70	163.90	32.20	13.00	114.00	38.00	10.79		
	18.00		38.00	21.50		61.00	66.85						
				17.00	238.00	117.42	225.53	53.17	11.28	16.02	15.47		
[illegible]						775.00	135.00	517.50	317.10	795.00	274.25		
								413.75	210.00	170.00			
[illegible]				918.00	340.00		605.00						
[illegible]	4778.05	570.05			110.00	1053.41	300.40						
[illegible]	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	
		600.00	40.00	380.00		78.50	690.00				170.96	22.02	
	5070.58	1302.55	294.36	1486.61	802.50 [1]	3815.77	2136.94	1164.62	816.92	1135.02	1286.00	117.02	0.01 27461.79

UNCLASSIFIED

Invoice # DOS1-85A
Contract # 1001-602066

September 1
Page 7

	August	Cumulat
Direct Labor	5,283.74	86,292.1
G & A (16.86%)	890.84	14,548.8
Overhead (89.485)	4,727.89	77,214.2
Other Direct Costs	3,286.68	25,444.3
Total Costs	14,189.15	203,499.6
Fee (6.33%)	898.17	12,881.
Month Total	15,087.32	216,381.1
Total Due	$216,381.16	$216,381.1

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[illegible]

	Rate	October Hrs	October Direct Labor	November Hrs	November Direct Labor	December Hrs	December Direct Labor	January Hrs	January Direct Labor	February Hrs	February Direct Labor	March Hrs	March Direct Labor	April Hrs	April Direct Labor	May Hrs	May Direct Labor	June Hrs	June Direct Labor	July Hrs	July Direct Labor
	11.05	87	[illegible]	72	[illegible]	78	2195.70	48	[illegible]	[illegible]	[illegible]	138	[illegible]	44	[illegible]	64	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	11.05	26	[illegible]	25	[illegible]	23	671.00	[illegible]	[illegible]	19	[illegible]	16	[illegible]	15	[illegible]	28	932.11	11	[illegible]	4	[illegible]
	[illegible]	175	[illegible]	140	[illegible]	150	[illegible]	156	[illegible]	145	[illegible]	200	4167.61	176	[illegible]	172	[illegible]	150	[illegible]	43	[illegible]
	7.40	17	[illegible]	[illegible]	280.15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		0.00	11	[illegible]	[illegible]	[illegible]		0.00		0.00
	9.42	52	[illegible]	40	[illegible]	35	[illegible]	33	[illegible]	26	270.12		0.00	10	[illegible]	25	[illegible]		0.00		0.00
[illegible]	0.00	70	[illegible]	53	[illegible]	70	[illegible]	52	[illegible]	16	120.00	3	20.00		0.00		0.00		0.00		0.00
	0.17	0	0.00	90	[illegible]	20	161.40	20	161.40		0.00		0.00	20	[illegible]	115	[illegible]	14	184.72		[illegible]
[illegible]	7.00		0.00		0.00		0.00	128	[illegible]	152	[illegible]	167	[illegible]		0.00	[illegible]	1153.44		0.00	167	[illegible]
[illegible]	11.53		0.00		0.00		0.00	7	80.71	21	242.11	16	[illegible]		0.00	14	161.42		0.00	21	[illegible]
[illegible]	6.83		0.00		0.00		0.00	[illegible]	[illegible]	45	270.00	16	[illegible]	25	[illegible]	19	[illegible]	32	109.00	21	[illegible]
[illegible]	9.00		0.00		0.00		0.00		0.00	2	16.00	5	47.25		0.00		0.00		0.00		[illegible]

			October	November	December	January	February	March	April	May	June	July
[illegible] Labor	[illegible]	170	[illegible]	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 [illegible]
[illegible] Labor			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10277.94	[illegible]	[illegible]
	[illegible]		[illegible]	[illegible]	1240.33	1323.47	[illegible]	[illegible]	[illegible]	1732.06	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			5371.52	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1064.42	[illegible]	[illegible]
[illegible]			[illegible]	[illegible]	15290.15	[illegible]	[illegible]	[illegible]	[illegible]	22372.11	[illegible]	[illegible]
[illegible]			[illegible]	[illegible]	[illegible]	1120.00	1236.05	[illegible]	[illegible]	1416.15	[illegible]	[illegible]
			[illegible]	[illegible]	14578.63	[illegible]	[illegible]	[illegible]	17687.42	[illegible]	[illegible]	[illegible]

August Direct Labor	September Hrs	September Direct Labor
~~[illegible].25~~		0.00
~~0.00~~		0.00
~~2022.[illegible]~~		0.00
~~0.00~~		0.00
~~0.00~~		0.00
~~0.00~~		0.00
~~0.00~~		0.00
~~1291.92~~		0.00
~~763.33~~		0.00
~~159.00~~		0.00

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Department of [illegible] Hourly Rates and Time Interval

	October		November		December		January		February		March		April		May		June		July	
Rate	Hrs	Direct Labor	Hrs	Direct Labor	Hrs	Direct Labor	Hrs	Direct Labor	Hrs	Direct Labor	Hrs	Direct Labor	Hrs	Direct Labor	Hrs	Direct Labor	Hrs	Direct Labor	Hrs	Direct Labor
31.05	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	64	[illegible]	64	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
31.05	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	19	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4	[illegible]
20.63	175	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	172	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7.00	17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		0.00	11	[illegible]	[illegible]	[illegible]		0.00		0.00
9.62	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		0.00	[illegible]	[illegible]	25	[illegible]		0.00		0.00
8.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16	[illegible]	3	[illegible]		0.00		0.00		0.00		0.00
6.17	8	0.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		0.00		0.00	20	[illegible]	[illegible]	[illegible]	14	[illegible]		0.00
7.00		0.00		0.00		0.00	[illegible]	[illegible]	152	[illegible]	167	[illegible]		0.00	[illegible]	[illegible]		0.00	[illegible]	[illegible]
10.53		0.00		0.00		0.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		0.00	14	[illegible]		0.00	21	[illegible]
6.00		0.00		0.00		0.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	25	[illegible]	[illegible]	[illegible]	12	[illegible]	21	[illegible]
9.00		0.00		0.00		0.00		0.00	2	[illegible]	5	[illegible]		0.00		0.00		0.00		0.00

		October	November	December	January	February	March	April	May	June	July
16.03	170	[illegible]	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 [illegible]
Labor		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	September	
Direct Labor	Hrs	Direct Labor
[illegible].25		0.00
[illegible]		0.00
22[illegible]		0.00
[illegible].00		0.00
0.00		0.00
0.00		0.00
0.00		0.00
91.92		0.00
63.31		0.00
59.00		0.00

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	September		
Direct Labor	Hrs	Direct Labor	
60.25		0.00	
0.00		0.00	
22.72		0.00	
0.00		0.00	
0.00		0.00	
0.00		0.00	
0.00		0.00	
91.92		0.00	
03.33		0.00	
59.00		0.00	
0.00		0.00	
0.00		0.00	
30.53		40.00	
53.74		46.00	
90.04		0.09	
77.09		42.95	
6.60			
9.15		99.04	
8.17		6.27	12007.00
7.32		105.31	216486.47

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Direct Expenses - State Department Contract

October	November	December	January	February	March	April	May	June	July	August	September	
		86.67			2590.16	323.00						
371.40							52.20	67.10	40.00	64.90		
204.10	27.50	27.00	27.10	16.70	163.90	32.20	11.00	114.00	38.00	38.70		
16.00		35.00	28.50		61.00	66.00						
			17.00	238.00	117.42	225.53	53.17	11.26	16.02	15.67		
					735.00	135.00						
							517.50	117.40	775.00	2974.25		
			938.00	349.00		645.00	611.75	218.00	170.00			
6930.06	530.06			110.00	1063.61	308.40						
95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	
	600.00	40.00	300.00		76.50	496.00				130.96	22.02	
5178.52	1302.56	294.16	1406.61	612.50[6]	7865.77	2136.94	1164.62	816.92	1125.02	1286.60	117.02	0.01
												27761.19

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United States Department of State

Washington, D.C. 20520

October 3, 1986

MEMORANDUM

To: M/COMP/GS - Ms. Anita Brown

From: ARA - Robert Kagan

Subject: Payment to International Business Communications
Contract No. 1001-602066

This is to certify that International Business Communications has completed the first eleven months of their contract in the amount of $216,381.16. This is the first payment under the above cited contract. A check can be sent to the following address:

International Business Communications
1912 Sunderland Place N.W.
Washington, D.C. 20036

Thank you for your assistance in this matter.

Enclosure: (1) International Business Communications
Invoice of 9/16/86

[redacted]y Declassified/Released on 11 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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INTERNATIONAL BUSINESS COMMUNICATIONS
1912 SUNDERLAND PLACE, N.W.
WASHINGTON, D.C. 20036 - 1608
TELEPHONE (202) 387-3002 TELEX 3718712 IBCUSA

Contract # 1001-602066
Invoice # DOS1-85A
September 16, 1986

To:

Robert W. Kagan
Office of Public Diplomacy for
Latin America and the Caribbean
Department of State
Room 6253
Washington, DC 20520

For services rendered, October 1, 1985 through August 31, 1986, in connection with Contract Number 1001-602066, including design and organization of a distribution system; direction of such system; creation of a segmented mailing list, including coding; distribution and storage of documents; and related services under the terms of this contract as requested by ARA/LPD.

Total due	$216,381.16

Check should be made payable to International Business Communications, and mailed to Richard R. Miller, President, at the above address.

(Costs by month are attached.)

[redacted] Declassified/Released on 11 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

Invoice # DOS1-85A
Contract # 1001-602066

September 16, 1986
Page 2

	October	Cumulative
Direct Labor	$11,639.77	$11,639.77
G & A (16.86%)	1,962.47	1,962.47
Overhead (89.485)	10,415.27	10,415.27
Other Direct Costs	5,171.52	5,171.52
Total Costs	29,189.02	29,189.02
Fee (6.33%)	1,847.67	1,847.67
Month Total	$31,036.69	$31,036.69

	November	Cumulative
Direct Labor	8,299.40	19,939.17
G & A (16.86%)	1,399.28	3,361.74
Overhead (89.485)	7,426.30	17,841.57
Other Direct Costs	1,102.56	6,274.08
Total Costs	18,227.54	47,416.56
Fee (6.33%)	1,153.80	3001.47
Month Total	19,381.35	50,418.03

(Cont'd)

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Invoice # DOS1-85A
Contract # 1001-602066

September 16, 1986
Page 3

	December	Cumulative
Direct Labor	7,410.00	27,349.17
G & A (16.86%)	1,249.33	4,611.07
Overhead (89.485)	6,630.47	24,472.04
Other Direct Costs	294.36	6,568.44
Total Costs	15,584.15	63,000.72
Fee (6.33%)	986.48	3,987.95
Month Total	16,570.63	66,988.66

	January	Cumulative
Direct Labor	7,849.75	35,198.92
G & A (16.86%)	1,323.47	5,934.54
Overhead (89.485)	7,023.96	31,495.99
Other Direct Costs	1,496.61	8,065.05
Total Costs	17,693.78	80,694.50
Fee (6.33%)	1,120.02	5,107.96
Month Total	18,813.80	85,802.46

(Cont'd)

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Invoice # DOS1-85A
Contract # 1001-602066

September 16, 1986
Page 4

	February	Cumulative
Direct Labor	9,054.33	44,253.25
G & A (16.86%)	1,526.56	7,461.10
Overhead (89.485)	8,101.81	39,597.81
Other Direct Costs	812.58	8877.63
Total Costs	19,495.28	100,189.79
Fee (6.33%)	1,234.05	6,342.01
Month Total	20,729.34	106,531.80

	March	Cumulative
Direct Labor	11,507.16	55,760.41
G & A (16.86%)	1,940.11	9,401.21
Overhead (89.485)	10,296.61	49,894.41
Other Direct Costs	7,815.77	16,693.40
Total Costs	31,559.64	131,749.43
Fee (6.33%)	1,997.73	8,339.74
Month Total	33,557.37	140,089.17

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Invoice # DOS1-85A
Contract # 1001-602066

September 16, 1986
Page 5

	April	Cumulative
Direct Labor	7,026.04	62,786.45
G & A (16.86%)	1,184.59	10,585.79
Overhead (89.485)	6,286.90	56,181.31
Other Direct Costs	2,136.94	18,830.34
Total Costs	16,634.46	148,383.89
Fee (6.33%)	1,052.96	9,392.70
Month Total	17,687.42	157,776.59

	May	Cumulative
Direct Labor	10,277.94	73,064.38
G & A (16.86%)	1,732.86	12,318.65
Overhead (89.485)	9,196.70	65,378.01
Other Direct Costs	1,164.62	19,994.96
Total Costs	22,372.11	170,756.00
Fee (6.33%)	1,416.15	10,808.85
Month Total	23,788.27	181,564.86

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INTERNATIONAL BUSINESS COMMUNICATIONS
1912 SUNDERLAND PLACE, N.W.
WASHINGTON D.C. 20036-1608
TELEPHONE (202) 387-3002 TELEX [illegible] IBCUSA

February 7, 1986

DEPARTMENT [illegible]

'86 FEB 11 P3:10

Ms. Lanah Berryhill
Contract Specialist
OPR STP, Room 528
State Department - Annex 6
1701 North Fort Myer Drive
Arlington, Virginia 22209

Dear Ms. Berryhill:

Pursuant to International Business Communications' State Department contract, we have compiled the below listed information for your review.

Enclosure A lists calendar year annual salaries of principals, employees, and subcontractors. Enclosures B and C represent employee benefit expenses and indirect overhead costs for the period January 1 through December 31, 1986.

We have no audited fringe benefits or overhead rates and therefore are requesting your concurrence for a provisional billing rate of 7 percent for fringe benefit expenses and 73 percent for overhead costs for the coming year.

International Business Communications is using a $.21 mileage reimbursement rate, $25.00 per hour for computer time, $.10 a copy cost rate and actual other travel costs.

Using a proposed annual salary, wage, leave and subcontract cost of $147,428.00 (see contract proposal), we expect the contract to run approximately $313,043.00, using a provisional billing rate of 7 percent for fringe benefit expenses and 73% for overhead costs for the coming year.

If you desire any further information, please let me know.

Very truly yours,

5506

Richard R. Miller
President

[redacted] Declassified/Released on 11FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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INTERNATIONAL BUSINESS COMMUNICATIONS

STATE DEPARTMENT CONTRACT PROPOSAL

1)	Salary, Wage, Leave, and Subcontract Costs (See Schedule I)	$147,428.00
2)	Other Direct Costs (See Schedule II)	29,037.00
3)	Fringe Benefit Costs (At 7% of Salary, Leave and Subcontract Costs above)	10,320.00
4)	Overhead Cost (At 73% of Salary, Leave, and Subcontract Costs above)	107,622.00
	Total Proposed Contract Cost Before Fee	294,407.00
	Fee at 6.33%	18,636.00
	Total	$313,043.00

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ENCLOSURE A

INTERNATIONAL BUSINESS COMMUNICATIONS

SALARY ROSTER
January 15, 1986

		Hourly Rate: 2,080 per yr.	Basic Annual Salary/ Contract Fee	Effective Date
Group 1: Principals (Partners)				
Richard Miller	Principal	$33.65	$ 70,000	January 15, 1986
Francis Gomez	Principal	33.65	70,000	January 15, 1986
Group 2: Salaried*				
Frances Jacobowitz	Administrator	24.03	50,000	January 15, 1986
Rafael E. Flores	Program Director	8.17	17,000	January 15, 1986
Anna Kreisler	Secretary	8.00	16,640	January 15, 1986
Robert Norris	Driver	7.69	16,000	January 15, 1986
Jacqueline Clemons	Account Exec.	9.62	20,000	January 15, 1986
Jeffrey Keefer	Media Corr.	9.62	20,000	January 15, 1986
Christina Guillen	Secretary/ Administration	10.81	22,500	January 15, 1986
Kate McGinnis	Secretary/ Administration	13.46	28,000	February, 1986
Group 3: Hourly Rate Subcontractors				
Ellen Irving	Subcontract	11.54	24,000	January 15, 1986
Anthony & Williams	Subcontract	Various	26,000	January 31, 1986
Projected Salary, Wage, Leave Base and Subcontract			$380,140	

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*The rate used for proposal pricing includes vacation, holidays, and health and welfare at 2,080 hours annually. The basic hourly rate assumes 1,872 annual hours.

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ENCLOSURE B

INTERNATIONAL BUSINESS COMMUNICATIONS

Projected Employee Benefit Costs
For The Period January 1 through December 31, 1986

Proposed Rate: 7 Percent of Salaries, Wages, Accrued Leave and Subcontract of $380,140.00

Social Security	$13,023
Federal Unemployment	448
D.C. Unemployment	1,920
Workmen's Compensation	1,000
Travel Insurance	100
Health Insurance (includes Life Insurance)	11,842
Total Projected Employee Benefit Costs	$28,333

$\frac{28,333}{380,140.} = 7.45\%$

28 333
380,140
408,473

$\frac{28\,333}{408\,473} = 6.94\%$

[illegible] Projected [illegible]

380,140 Salaries [illegible]
[illegible] [illegible]
131 515 [illegible]
[illegible] [illegible]
12 426 [illegible]
662 [illegible]29

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ENCLOSURE C

INTERNATIONAL BUSINESS COMMUNICATIONS

Proposed Overhead Budget

January 1 through December 31, 1986

7000 FACILITY COSTS

Rent	$110,000
Equipment Rentals	1,278
Equipment Repair and Maintenance	2,850
Basic Telephone Service	1,200
Real Estate Taxes	13,800
Insurance on Real Estate	2,950
Depreciation	11,342
Registration and License Fees	200
Utilities and Maintenance Agreement	17,895
	$161,515

8000 OFFICE ADMINISTRATION

Salaries and Leave

Business Manager (Kate McGinnis)	23,800
Employee Benefits	100
Transportation & Parking	651
Printing and Graphics	6,445
Telephone & Telex	11,100
Postage & Delivery	9,268
Interest and Bank Charges	2,157
Accounting and Legal	9,060
	$ 62,581

in Tunis

9000 GENERAL ADMINISTRATION

Salaries and Leave

Principals (7.5% of time each x $70.00)	10,500
Support Staff (30% of time of all staff not direct on contract)	31,234
Supplies and Publications	10,726
Xerox	100
Long Distance Calls/Answering Service	600
Transportation, Per Diem, Subsistence	1,000
	$ 54,160
Total Facility, Office and General Administration	$278,256

Proposed Rate: 73 Percent of Salaries, Wages, Accrued Leave and Subcontract of
$380,140.00 X.73 = 277,502 –

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SCHEDULE I

INTERNATIONAL BUSINESS COMMUNICATIONS

CONTRACT PROJECTED TO RUN ONE YEAR

SCHEDULE COMPUTING SALARY, WAGE, LEAVE AND SUBCONTRACT COSTS

		Percent of Time Devoted To Contract	Basic Annual Salary	Principal, Salary And Subcontract Cost of Contract
Group 1: Principals (Partners)				
Richard Miller	Principal	20%	$ 70,000	$ 14,000
Francis Gomez	Principal	40%	70,000	28,000
Group 2: Salary				
Frances Jacobowitz	Administrator	80%	50,000	40,000
Rafael E. Flores	Program Director	15%	17,000	2,250
Anna Kreisler	Secretary	20%	16,640	3,328
Robert Norris	Driver	50%	16,000	8,000
Jacqueline Clemons	Account Executive	30%	20,000	6,000
Jeffrey Keefer	Media Correspondent	10%	20,000	2,000
Christina Guillen	Sec./Administration	90%	22,500	20,250
Kate McGinnis	Sec./Administration	15%	28,000	4,200
Group 3: Subcontract				
Ellen Irving	Subcontract	5%	24,000	1,200
Anthony & Williams	Subcontract	70%	26,000	18,200
Total Salary, Wage, Leave, and Subcontract Cost			$380,140	$147,428

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SCHEDULE II

INTERNATIONAL BUSINESS COMMUNICATIONS

CONTRACT PROJECTED TO RUN ONE YEAR

SCHEDULE COMPUTING OTHER DIRECT COSTS

January 1 through December 31, 1986

Computer Use (360 hours at $25.00 per hour)	$ 9,000
Vehicle Use (approximately 714 miles per month x .21 per month)	1,800
Travel Costs (See Schedule III)	14,367
Copy Cost (approximately 100 copies per month x .10 per copy)	120
Translation Services	3,750
	$ 29,037

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SCHEDULE III

INTERNATIONAL BUSINESS COMMUNICATIONS

TRAVEL COSTS

DESTINATION	LENGTH OF TRIP (DAYS)	ROUND TRIP AIRFARE (APPROX.)	USG TRAVEL ALLOWANCE	NUMBER OF PEOPLE TRAVELING	TOTAL PER TRIP
Central America (Honduras)	4	$630	$104	1	$ 1,046
Central America (Guatemala)	4	686	80	1	1,006
Los Angeles	4	980	75	2	2,260
San Francisco	4	980	75	2	2,260
New York	2	150	75	3	750
Miami	3	198 (1)	75	1	423
Miami	2	280 (2)	75	1	430
Miami	3	198	75	1	423
Chicago	2	500	75	2	1,300
Houston	3	360 (1)	75	1	585
St. Louis	2	400	75	1	550
New Orleans	3	278 (1)	75	2	1,006
					12,039
Taxi Costs					2,328
Total					$14,367

(1) Dulles
(2) National

These appear to be actual travel costs which seem to have gone into the contract as other direct costs (schedule II)

were these costs incurred before 2/7/86, the i.e. of the IBC proposal?

Were tasks so specific that these specific trips & costs were known ahead of time?

(e.g. contract period was 10/1/85 - 9/30/86).

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[illegible] on travel costs ?

29 MAR 84

UNCLASSIFIED

IBC CONTRACTS

1001-402214	9500
1001-402296	9500
1001-402296-A	9800
1001-502074	24,400
1001-502160	90,000
1001-602066	276,186

02486

[redacted] Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5507

UNCLASSIFIED

ORDER—SUPPLIES OR SERVICES

CONTRACTOR REPRESENTATIVE ATTENTION: FRANCIS GOMEZ
PHONE: 703-533-8396

ORDER NUMBER MUST APPEAR ON ALL PACKAGES AND RELATED PAPERS

2. CONTRACT NUMBER	3. C 96	4. DEST 010122	5. FSC R498	6. SHIPPING INSTRUCTIONS		7. ORDER NUMBER 1001-402214 _A
9. GBL NUMBER	PO	11. Date P 840224	12. REQ OFFICE S/S-EX	13. Date Req 840228	AI SC	14. Date Sig 840329

6A

15. DESCRIPTION AMENDMENT - PROFESSIONAL SERVICES FOR S/LPD

17. APPROPRIATION	ALLOTMENT	OBLIG	ORG	FUNC	OPI	18. AMOUNT	SOBJ
1940113	1001	402214	010122		2589	–	

CONTRACTOR
TO: GOMEZ DUNS ID 991745811
GOMEZ, FRANCIS D
6564 WILLIAMSBURG BLVD.
ARLINGTON
VA
22213
ZIP

19. CONSIGNEE AND DESTINATION
SHIP TO SEE NOTE

20. ULTIMATE DESTINATION OFFICE LATIN AMERICAN DIPLOMACY

LINE ITEM	CATALOG/NSN	S ID	SUPPLIES OR SERVICES	Delivery Date	U/O/I	NO. OF UNITS	UNIT PRICE	TOTAL

Amend purchase order 1001-402214, dated February 27, 1984, to include all travel necessary to and from El Salvador and any other parts of Central America for the successful completion of the required project. This purchase order may be further modified to cover all cost incurred for said travel.

All other terms and conditions remain the same.

(NO CHANGE IN TOTAL)

CONSIGNEE AND DESTINATION
Department of State, S/LPD
Coordinator for Public Diplomacy for
Latin America and the Caribbean
Room [illegible], [illegible] State Building
2201 [illegible]
Washington, [illegible]

[redacted] Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

FOB POINT/FAS POINT
21. DISCOUNT
22. ISSUER'S [illegible]
24. ISSUER'S PHONE

BILLING INSTRUCTIONS

Contractor's invoice shall be submitted in an original and one copy to:
Office of Finance—General Claims
P.O. Box 9487
Rosslyn Station
Arlington, VA 22209
Invoices must show the Department's 10 digit order number, time payment discount (even if net), description of each item, quantity, unit cost and total amount. Contractor must furnish a signed receipt from transportation carrier as proof that shipment has been forwarded.

When Contractor is requested to prepay transportation charges on an F.O.B. order, such charges are to be added as a separate item on the invoice and must be supported by a paid transportation receipt. If shipment via APO, furnish postal receipts.

25. CONTRACTING/ORDERING OFFICER

Signature

Date

FORM DST-1080 (4-81)

UNCLASSIFIED

TO: ☐ SUPPLY & TRANS. ☐ PUBLIC HEALTH SERVICE ☐ LIBRARY ☐ OFFICE OF FOREIGN BLDG. OLA OTHER

ATTENTION: FRANCIS GOMEZ

PHONE 703-533-8394

3. CONTRACT NUMBER

4. DEST. 010122

5. FSC

6. SHIPPING INSTRUCTIONS

7. REQUISITION NUMBER 1001-402214

9. GBL NUMBER

11. Date P 840224

12. REQ. OFFICE S/S-EX

15. DESCRIPTION AMENDING PO REQUEST FOR - FRANCIS GOMEZ

16. AMOUNT

17. APPROPRIATION 1940113

ALLOTMENT 1001

OBLIG. 402214

ORG. 010122

FUNC.

OBJ. 25A9

S-OBJ.

18. CONTRACTOR TO:

DUNS

FRANCIS D. GOMEZ
6564 WILLIAMSBURG BLVD.
ARLINGTON
VA 22213
ZIP

19. CONSIGNEE AND DESTINATION

SHIP TO

20. ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN	S.ID	SUPPLIES OR SERVICES	Delivery Date	U/I	NO. OF UNITS	UNIT PRICE	TOTAL
1-4	5-8 9-10 11-13 14-17		18-43	49-90	50-51	52-56	57-65	
01			PROFESSIONAL SERVICES					

This is to amend the purchase order request submitted by ~~me~~ S/LPD for the services of Mr. Francis Gomez. In addition to the duties elaborated in the previous memorandum, Mr. Gomez will be travelling to Central America. Given the nature of the work that Mr. Gomez will conduct, we believe it imperative that he travel to Central America, and in particular El Salvador, to conduct much of the work. It is likely that Mr. Gomez will require additional travel under purchase order request.

Requested by:
S/LPD-Otto Reich
FILE NO.

'84 FEB 28 P 3:5

DEPA

UNCLASSIFIED

21. FOB POINT FAS POINT

DNAIEL E. ALLEN 632-9221

GSA FEDSTRIP IDENTIFICATION CODING

25. APPROVING

Signature i/23/84 Date

26. FUNDS AVAILABLE

Signature 2/28/84 Date

FORM DST-1069R 9-78

ORIGINAL—TO ACTION OFFICE

United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

MEMORANDUM:

TO: S/S-EX - Mr. George Twohie

FROM: S/LPD - Mr. Otto J. Reich

SUBJECT: Amending Purchase Order Request for Francis Gomez

This is to amend the purchase order request submitted by me for the services of Mr. Francis Gomez. In addition to the duties elaborated in the previous memorandum, Mr. Gomez will be travelling to Central America. Given the nature of the work that Mr. Gomez will conduct, we believe it imperative that he travel to Central America, and in particular El Salvador, to conduct much of the work. It is likely that Mr. Gomez will require additional travel under this purchase order request.

Partially Declassified/Released on 10FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

DEPARTMENT OF STATE
WASHINGTON, DC 20520
ORDER—SUPPLIES OR SERVICES
(Subject to terms and conditions on reverse side)

Page 1 of Pages

ORDER NUMBER MUST APPEAR ON ALL PACKAGES AND RELATED PAPERS

CONTRACTOR REPRESENTATIVE ATTENTION FRANCIS D. GOMEZ
PHONE 703-533-8394

1 Type REQ	2 CONTRACT NUMBER	3 C CR	4 DEST 010127	5. FSC R498	6 SHIPPING INSTRUCTIONS V G1
7. ORDER NUMBER OC1-402214 —					
8 Code	9 GSL NUMBER	10 Type PO	11 Date P 840216	12 REQ OFFICE E/F-FX	13 Date Req 840221
A1 SC	14 Date Sig 840227				

15 DESCRIPTION
PROFESSIONAL SERVICES FOR - S/LPD

16 AMOUNT
950000

17 APPROPRIATION	ALLOTMENT	OBLIG	ORG	FUNC	OBJ	S OBJ
8940113	001	402214	010127		2585	

18 CONTRACTOR
TO: GOMF DUNS ID 891745811
GOMEZ, FRANCIS D
5564 WILLIAMSBURG BLVD.
ARLINGTON
VA 22213
ZIP

19 CONSIGNEE AND DESTINATION
SHIP TO SEE NOTE

Partially Declassified/Released on 10FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

20 ULTIMATE DESTINATION OFFICE LATIN AMERICAN DIPLOMACY

LINE ITEM	CATALOG/NSN	S ID	SUPPLIES OR SERVICES	Delivery Date	U O I	NO. OF UNITS	UNIT PRICE	TOTAL
01			PROFESSIONAL SERVICES	840531	LT	1	950000	950000

It is hereby agreed that the Office of Latin American Public Diplomacy, Department of State, hereinafter to be known as S/LPD, will pay to Francis D. Gomez, hereinafter known as the Contractor, the sum of $9,500 for personal services as specified below. The period for the provision of said services shall be February 14, 1984 to May 31, 1984.

The Contractor shall research, write and assemble information kits on U.S. policy in Central America for use by persons speaking on behalf of Administration policy in the region. The kits will be in the form of loose-leaf notebooks or binders with appropriate tabs designating the various topics presented. Included will be the following:

1. A brief overview statement of U.S. policy in the Central American region in general;

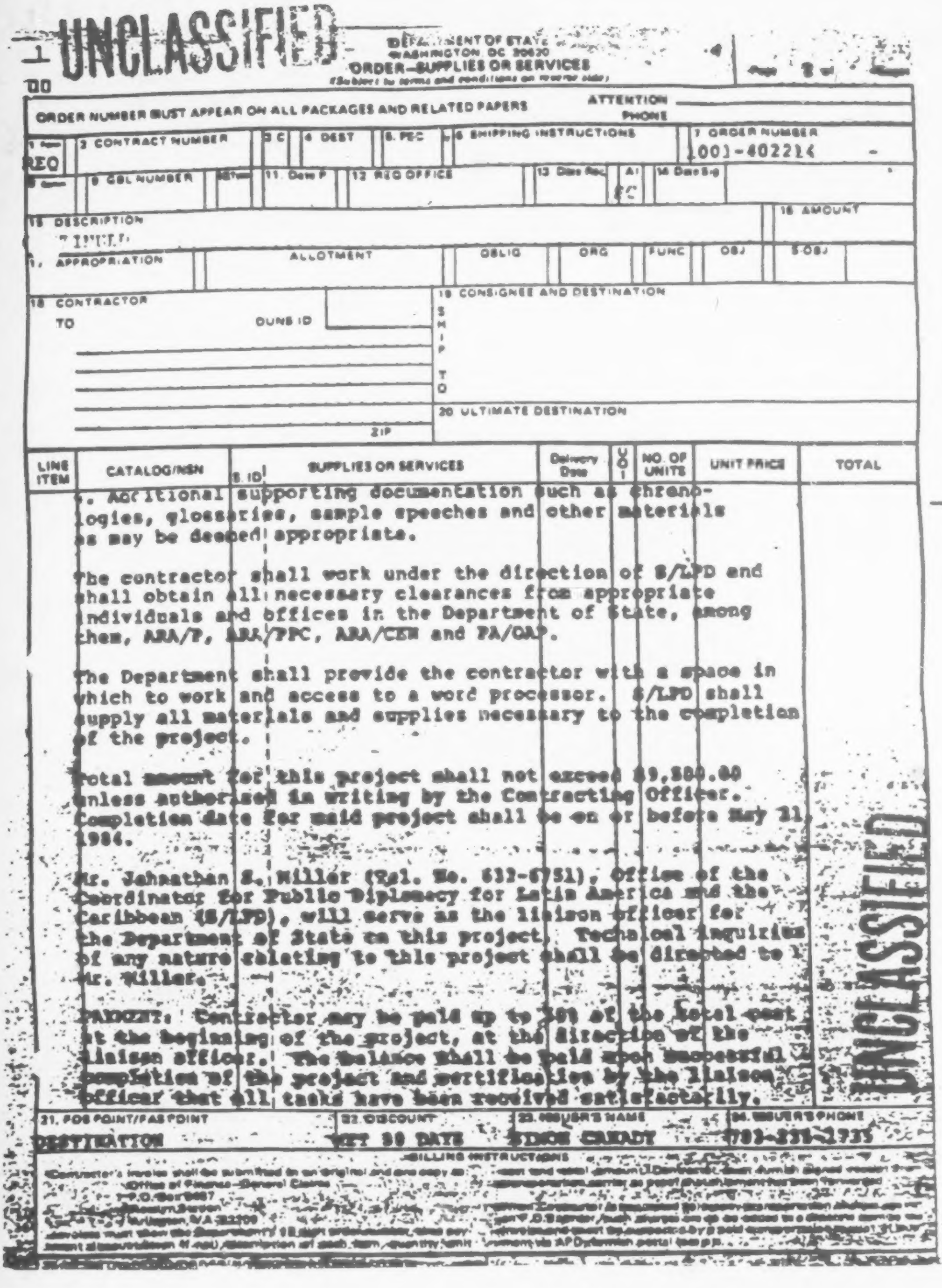
2. A series of one-page or two-page "talking points" summarizing U.S. policy and recent history in each of the five Central American nations (Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica);

3. A compilation of the most frequent distorted or false allegations and criticisms of U.S. policy or events in the region, each of which is to be followed by a brief statement of facts or a statement of the Administration's position;

21. FOB POINT/FAS POINT	22. DISCOUNT	23. ISSUER'S NAME	24. ISSUER'S PHONE
DESTINATION	NET 30 DAYS	[illegible]	703-235-[illegible]

BILLING INSTRUCTIONS
[illegible]

UNCLASSIFIED



UNCLASSIFIED

DEPARTMENT OF STATE
WASHINGTON, DC 20520
ORDER—SUPPLIES OR SERVICES
(Subject to terms and conditions on reverse side)

ORDER NUMBER MUST APPEAR ON ALL PACKAGES AND RELATED PAPERS

ATTENTION
PHONE

1 REQ
2 CONTRACT NUMBER
3 C
4 DEST
5 PEC
6 SHIPPING INSTRUCTIONS
7 ORDER NUMBER 1003-402214
9 CBL NUMBER
11 Date P
12 REQ OFFICE
13 Date Rec
14 Date Sig
15 DESCRIPTION
16 AMOUNT
17 APPROPRIATION
ALLOTMENT
OBLIG
ORG
FUNC
OBJ
S OBJ
18 CONTRACTOR
TO
DUNS ID
ZIP
19 CONSIGNEE AND DESTINATION
SHIP TO
20 ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN	S. ID	SUPPLIES OR SERVICES	Delivery Date	UOI	NO. OF UNITS	UNIT PRICE	TOTAL

Additional supporting documentation such as chronologies, glossaries, sample speeches and other materials as may be deemed appropriate.

The contractor shall work under the direction of S/LPD and shall obtain all necessary clearances from appropriate individuals and offices in the Department of State, among them, ARA/P, ARA/PPC, ARA/CEN and PA/OAP.

The Department shall provide the contractor with a space in which to work and access to a word processor. S/LPD shall supply all materials and supplies necessary to the completion of the project.

Total amount for this project shall not exceed $9,500.00 unless authorized in writing by the Contracting Officer. Completion date for said project shall be on or before May 31, 1984.

Mr. Johnathan S. Miller (Tel. No. 632-6751), Office of the Coordinator for Public Diplomacy for Latin America and the Caribbean (S/LPD), will serve as the liaison officer for the Department of State on this project. Technical inquiries of any nature relating to this project shall be directed to Mr. Miller.

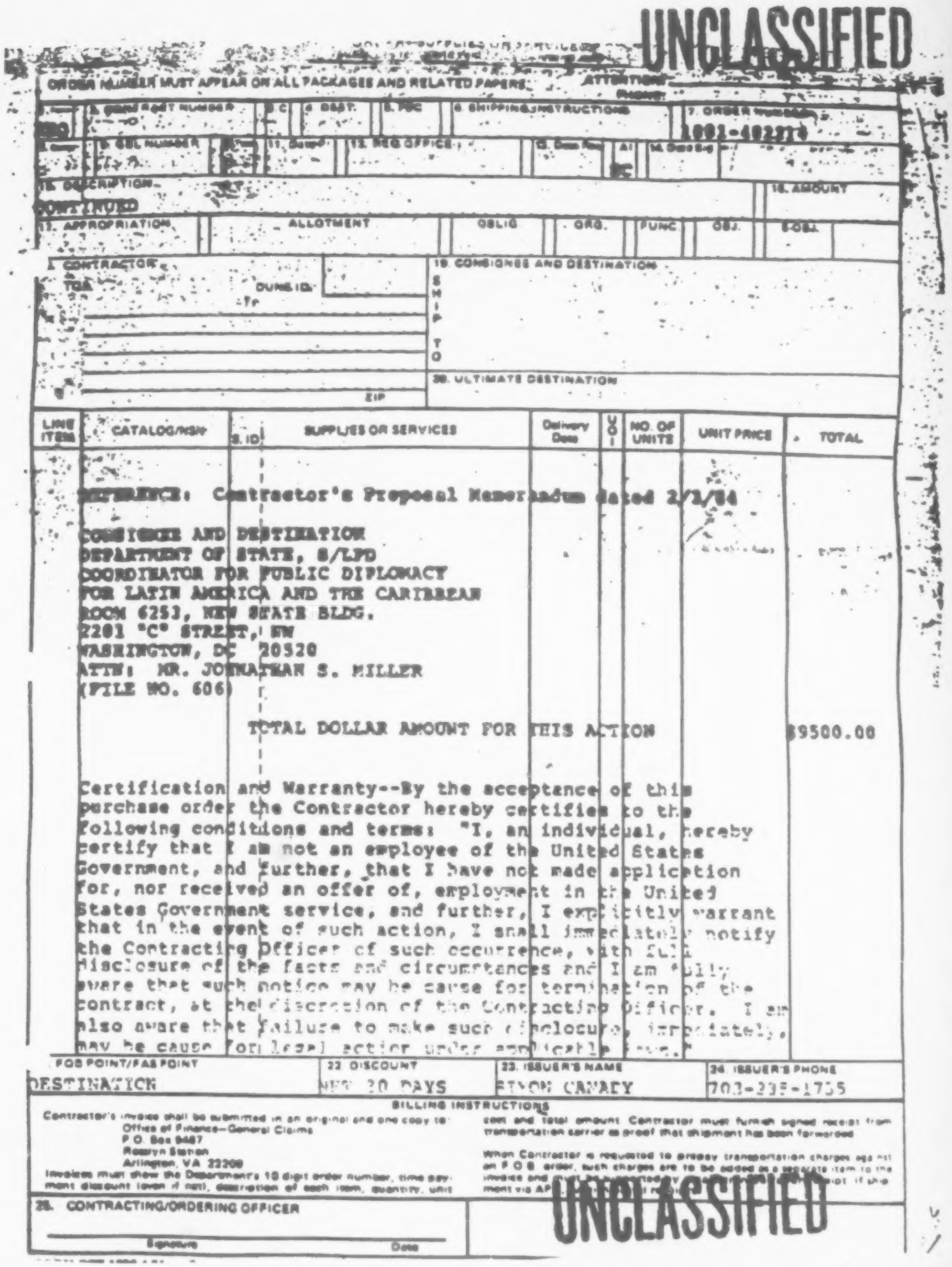
PAYMENT: Contractor may be paid up to 30% of the total cost at the beginning of the project, at the direction of the liaison officer. The balance shall be paid upon successful completion of the project and certification by the liaison officer that all tasks have been received satisfactorily.

21. FOB POINT/FAS POINT DESTINATION
22. DISCOUNT NET 30 DAYS
23. ISSUER'S NAME SIMON CHARDY
24. ISSUER'S PHONE 703-235-1735

BILLING INSTRUCTIONS

Contractor's invoice shall be submitted in an original and one copy to [illegible]
Office of Finance—General Claims
P.O. Box [illegible]
Arlington, VA 22209 [illegible]

UNCLASSIFIED



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ORDER NUMBER MUST APPEAR ON ALL PACKAGES AND RELATED PAPERS. ATTENTION: PHONE:

2. CONTRACT NUMBER	3. C	4. DEPT.	5. FSC	6. SHIPPING INSTRUCTIONS	7. ORDER NUMBER 1001-402376	
9. GSL NUMBER		11.	12. REQ OFFICE	13.	14.	
15. DESCRIPTION CONTINUED					16. AMOUNT	
17. APPROPRIATION	ALLOTMENT	OBLIG.	ORG.	FUNC.	OBJ.	S.O.B.L.

CONTRACTOR
TO:
DUNS ID:
ZIP

19. CONSIGNEE AND DESTINATION
SHIP TO

20. ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN	S. ID	SUPPLIES OR SERVICES	Delivery Date	U/I	NO. OF UNITS	UNIT PRICE	TOTAL

REFERENCE: Contractor's Proposal Memorandum dated 2/1/84

CONSIGNEE AND DESTINATION
DEPARTMENT OF STATE, S/LPD
COORDINATOR FOR PUBLIC DIPLOMACY
FOR LATIN AMERICA AND THE CARIBBEAN
ROOM 6253, NEW STATE BLDG.
2201 "C" STREET, NW
WASHINGTON, DC 20520
ATTN: MR. JONATHAN S. MILLER
(FILE NO. 606)

TOTAL DOLLAR AMOUNT FOR THIS ACTION $9500.00

Certification and Warranty--By the acceptance of this purchase order the Contractor hereby certifies to the following conditions and terms: "I, an individual, hereby certify that I am not an employee of the United States Government, and further, that I have not made application for, nor received an offer of, employment in the United States Government service, and further, I explicitly warrant that in the event of such action, I shall immediately notify the Contracting Officer of such occurrence, with full disclosure of the facts and circumstances and I am fully aware that such notice may be cause for termination of the contract, at the discretion of the Contracting Officer. I am also aware that failure to make such disclosure, immediately, may be cause for legal action under applicable laws."

FOB POINT/FAS POINT	22. DISCOUNT	23. ISSUER'S NAME	24. ISSUER'S PHONE
DESTINATION	NET 30 DAYS	SIMON CANADY	703-235-1735

BILLING INSTRUCTIONS

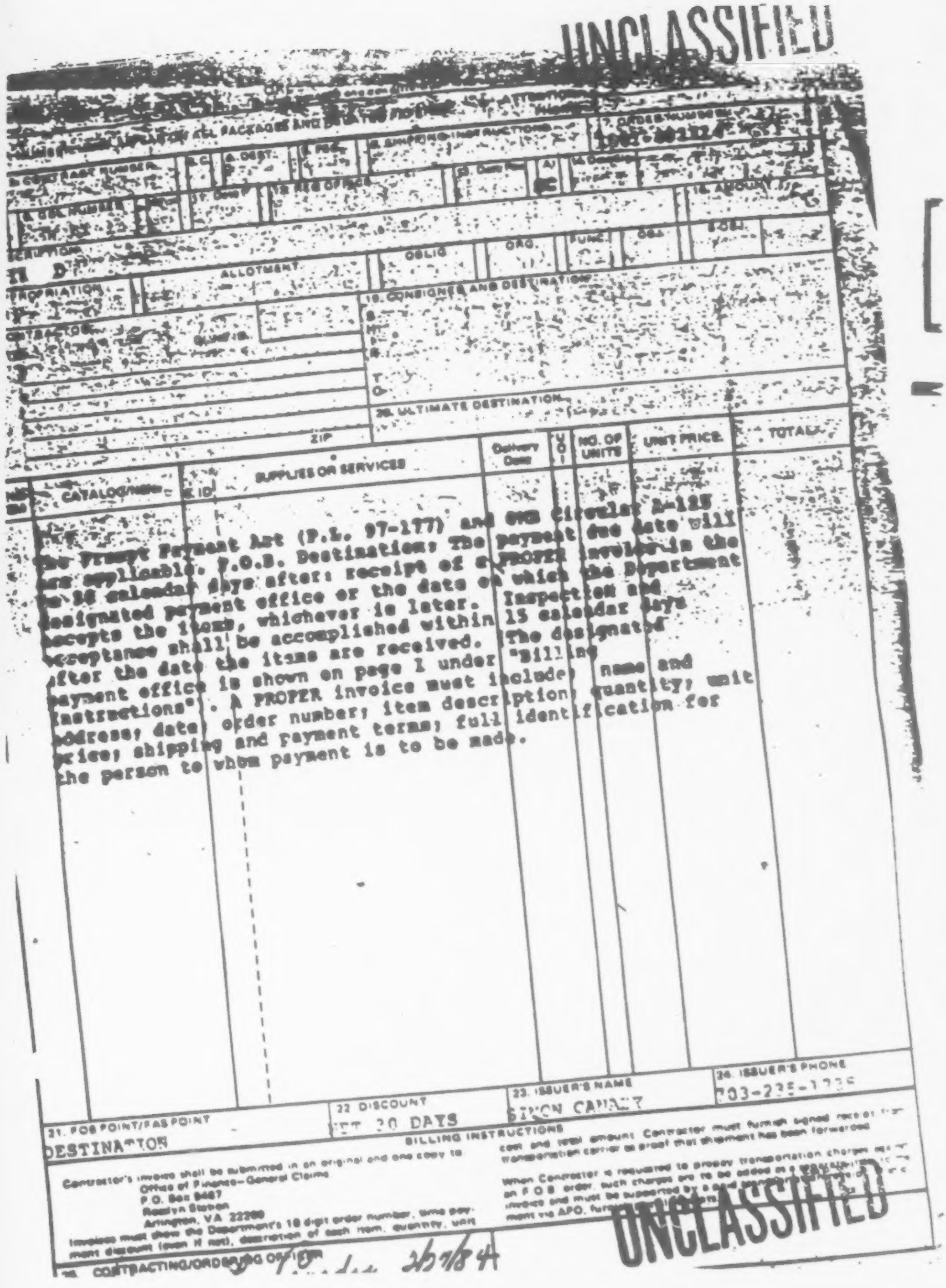
Contractor's invoice shall be submitted in an original and one copy to:
Office of Finance—General Claims
P.O. Box 9487
Rosslyn Station
Arlington, VA 22209
Invoices must show the Department's 10 digit order number, time payment discount (even if net), description of each item, quantity, unit cost and total amount. Contractor must furnish signed receipt from transportation carrier as proof that shipment has been forwarded.

When Contractor is requested to prepay transportation charges against an F.O.B. order, such charges are to be added as a separate item to the invoice and must be supported by [illegible] receipt. If shipment via AP [illegible]

25. CONTRACTING/ORDERING OFFICER

Signature Date

UNCLASSIFIED



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ATTENTION

MARK ALL PACKAGES AND PAPERS WITH ORDER NUMBER

8. SHIPPING INSTRUCTIONS

7. ORDER NUMBER

CONTRACT NUMBER

FUNC | OBJ | ORG | OBLIG | ALLOTMENT

APPROPRIATION

CONTRACTOR

19. CONSIGNEE AND DESTINATION

20. ULTIMATE DESTINATION

ZIP

CATALOG/NSN	ID	SUPPLIES OR SERVICES	Delivery Date	U/I	NO. OF UNITS	UNIT PRICE	TOTAL

The Prompt Payment Act (P.L. 97-177) and OMB Circular A-125 are applicable. F.O.B. Destination: The payment due date will be 30 calendar days after: receipt of a PROPER invoice in the designated payment office or the date on which the Department accepts the items, whichever is later. Inspection and acceptance shall be accomplished within 15 calendar days after the date the items are received. The designated payment office is shown on page 1 under "Billing Instructions". A PROPER invoice must include: name and address; date; order number; item description; quantity; unit price; shipping and payment terms; full identification for the person to whom payment is to be made.

21. FOB POINT/FAS POINT DESTINATION

22 DISCOUNT NET 30 DAYS

23. ISSUER'S NAME SIMON CAN[illegible]

24. ISSUER'S PHONE 703-235-17[illegible]

BILLING INSTRUCTIONS

Contractor's invoice shall be submitted in an original and one copy to:

Office of Finance—General Claims
P.O. Box 9467
Rosslyn Station
Arlington, VA 22209

Invoices must show the Department's 10 digit order number, time payment discount (even if net), description of each item, quantity, unit cost and total amount. Contractor must furnish signed receipt from transportation carrier as proof that shipment has been forwarded.

When Contractor is requested to prepay transportation charges on an F.O.B. order, such charges are to be added as a separate item to the invoice and must be supported by a paid [illegible] ment via APO, fur[illegible]

25. CONTRACTING/ORDERING OFFICER 2/27/84

UNCLASSIFIED

1. REG
3. CONTRACT NUMBER
4. DELT. 010122 [redacted]
6. SHIPPING INSTRUCTIONS
7. REQUISITION NUMBER 1001-402214
9. OBL. [redacted]
11. Date P 840214
12. REQ. OFFICE S/S-EX
15. DESCRIPTION PROFESSIONAL SERVICES FOR - S/LPD
16. AMOUNT 950000
17. APPROPRIATION 1940113
ALLOTMENT 1001
OBLIG. 402214
ORG. 010122
FUNC.
OBJ. 2589
S-OBJ.

18. CONTRACTOR TO:

FRANCIS D. GOMEZ
6564 WILLIAMSBURG BLVD.
ARLINGTON
VA 22213
ZIP

DUNS 991745811

19. CONSIGNEE AND DESTINATION
SHIP TO
CCTE
Jonathan Miller
632-6721

20. ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN	S. ID	SUPPLIES OR SERVICES	Delivery Date	U O I	NO. OF UNITS	UNIT PRICE	TOTAL
1-4	5-6 10 11-13 14-17		18-43	48-50		52-56	57-66	
01			PROFESSIONAL SERVICES		JB	1	950000	

It is hereby agreed that the Office of Latin American Public Diplomacy, Department of State, hereinafter to be known as S/LPD, will pay to Francis D. Gomez, hereinafter known as the Contractor, the sum of $9,500 for personal services as specified below. The period for the profision of said services shall be February 14, 1984 to May 31, 1984.

The Contractor shall research, write and assemble information kits on U.S. policy in Central America for use by persons speaking on behalf of Administration policy in the region. The kits will be in the form of loose-leaf notebooks or binders with appropriate tabs designating the various topics presented. Included will be the following:

1. A brief overview statement of U.S. policy in the Central American region in general;

2. A series of one-page or two-page "talking points" summarizing U.S. policy and recent history in each of the five Central American notions (Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica);

3. A compilation of the most frequent distorted or false allegations and criticisms of U.S. policy or events in the region, each of which is to be followed by a brief statement of facts or a statement of the Administration's position;

21. FOB POINT
DANIEL F. ALLEN 632-9221

GSA FEDSTRIP IDENTIFICATION CODING

1-3	4-6	7	30-35	36-33	44	45-50	51	52-53	54-59	60-61	62-64

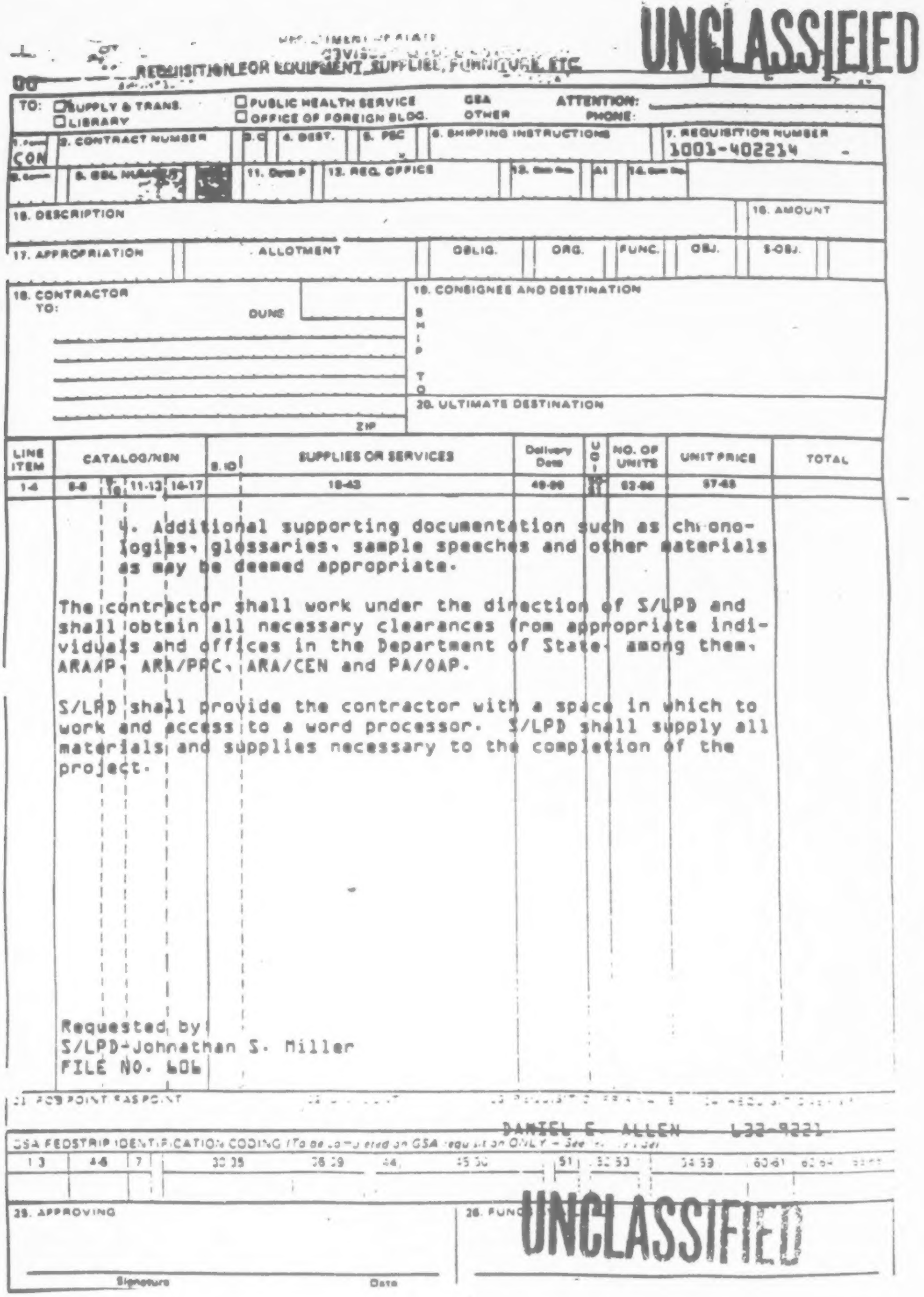
URGENT

25. APPROVING
Signature
Date [illegible]

26. FUNDS AVAILABLE
Date 2/16/84

FORM DST-1085R 9-78

UNCLASSIFIED



UNCLASSIFIED

DEPARTMENT OF STATE
DIVISION [illegible]

00 REQUISITION FOR EQUIPMENT, SUPPLIES, FURNITURE, ETC.

TO: ☐ SUPPLY & TRANS. ☐ LIBRARY ☐ PUBLIC HEALTH SERVICE ☐ OFFICE OF FOREIGN BLDG. GSA OTHER ATTENTION: PHONE:

1. Form CON	2. CONTRACT NUMBER	3. C	4. DEST.	5. PSC	6. SHIPPING INSTRUCTIONS	7. REQUISITION NUMBER 1003-402234 -

8. | 9. GBL NUMBER | 11. Date P | 12. REQ. OFFICE | 13. | A1 | 14.

15. DESCRIPTION | 16. AMOUNT

17. APPROPRIATION | ALLOTMENT | OBLIG. | ORG. | FUNC. | OBJ. | S-OBJ.

18. CONTRACTOR TO: DUNS

ZIP

19. CONSIGNEE AND DESTINATION
SHIP TO

20. ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN				S.10	SUPPLIES OR SERVICES	Delivery Date	U O I	NO. OF UNITS	UNIT PRICE	TOTAL
1-4	5-8	9-10	11-13	14-17		18-43	49-50		52-56	57-63	

4. Additional supporting documentation such as chronologies, glossaries, sample speeches and other materials as may be deemed appropriate.

The contractor shall work under the direction of S/LPD and shall obtain all necessary clearances from appropriate individuals and offices in the Department of State, among them, ARA/AP, ARA/PPC, ARA/CEN and PA/OAP.

S/LPD shall provide the contractor with a space in which to work and access to a word processor. S/LPD shall supply all materials and supplies necessary to the completion of the project.

Requested by:
S/LPD-Johnathan S. Miller
FILE NO. 606

21. FOB POINT EAS POINT

DANIEL E. ALLEN 632-9221

GSA FEDSTRIP IDENTIFICATION CODING (To be completed on GSA requisition ONLY — See [illegible])

1 3	4-6	7	30 35	36 39	44	45 50	51	52 53	54 59	60-61	62 64

25. APPROVING

Signature Date

26. FUNDS

UNCLASSIFIED

United States Department of State

Washington, D.C. 20520

DA

UNCLASSIFIED FEB 13 1984

MEMORANDUM

TO: S/S-EX - Mr. Twohie

FROM: S/LPD - Johnathan S. Miller, Acting JSM

SUBJECT: Research Contract for Francis D. Gomez, International Business Communications

Attached is a contract proposal submitted by Mr. Francis D. Gomez, Senior Associate, International Business Communications.

I would like to conclude a quick contract with Mr. Gomez to produce several articles for publications in major media outlets, a speaker's kit that will be used as the basis for all USG spokespersons, and a series of one-page briefs on a variety of topics. I would estimate a fair reimbursement for these services to be $9,500.00. A sole source justification is attached.

Your usual prompt attention to this urgent matter will be most appreciated.

Attachment:
As stated

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under provisions of E.O. 12356
by K. Johnson, National Security Council

Drafted: S/LPD:MCFreedman
2/7/84, 632-6751

UNCLASSIFIED

February 3, 1984

MEMORANDUM FOR: S/LPD - Matthew Freedman

FROM: Francis D. Gómez FDG

SUBJECT: Proposed Purchase Order for Personal Services

Per our discussion of today, there follows a draft understanding of the terms of a purchase order agreement:

It is hereby agreed that the Office of Latin American Public Diplomacy, Department of State, hereinafter to be known as S/LPD, will pay to Francis D. Gómez, hereinafter known as the Contractor, the sum of $9,500 (nine thousand five hundred dollars) for personal services as specified below. The period for the provision of said services shall be February 14, 1984 to May 31, 1984.

DESCRIPTION OF SERVICES

The Contractor shall research, write and assemble information kits on U.S. policy in Central America for use by persons speaking on behalf of Administration policy in the region. The kits will be in the form of loose-leaf notebooks or binders with appropriate tabs designating the various topics presented. Included will be the following:

1) A brief overview statement of U.S. policy in the Central American region in general;

2) A series of one-page or two-page "talking points" summarizing U.S. policy and recent history in each of the five Central American nations (Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica);

3) A compilation of the most frequent distorted or false allegations and criticisms of U.S. policy or events in the region, each of which is to be followed by a brief statement of facts or a statement of the Administration's position;

4) Additional supporting documentation such as chronologies, glossaries, sample speeches and other materials as may be deemed appropriate.

PREMISES OF PROJECT

The execution of this project is founded on the belief that the American public is ill-informed about the realities of Central America today. This lack of information extends to geographic proximity, recent political and economic developments, the policies of the Reagan Administration and the nature and level of U.S. assistance to the countries of the region. The erroneous pulbic perceptions derive from 1) historic ignorance of the area; 2) inaccurate, distorted or insufficient media coverage; and 3) deliberate disinformation on the part of various entities with respect to U.S. interests and objectives.

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under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

The "talking points" and related materials in the information kits, therefore, must take into consideration the commonly held misperceptions about the region and American objectives therein. Preparation of the speaker kits will require analysis of media reporting, Op-Ed articles, letters to editors, letters to the White House and the Department of State and other sources of information about American public opinion. Responses to the most frequent criticisms will be gleaned from speeches, press conferences and Congressional testimony by Administration officials, as well as from consultation with appropriate individuals and other sources.

The project outlined herein requires expertise in Central American affairs, U.S. policy in Central America and the Caribbean Basin in general, American public opinion, the operations of American news media and the design of public information strategies. It also requires superior writing skills and the ability to interact with State Department and other officials at various levels. It requires care in the handling of sensitive documents and good judgment in compiling information for public consumption.

Information used in the notebooks will be organized and tabbed for ready reference and will be written in such a manner as to be useful to a broad range of official and unofficial speakers. Furthermore, it will be stored in easily retrievable and adaptable fashion in order that it can be updated and revised as needed.

CLEARANCES AND COORDINATION

The contractor shall work under the direction of S/LPD and shall obtain all necessary clearances from appropriate individuals and offices in the Department of State, among them, ARA/P, ARA/PPC, ARA/CEN and PA/OAP.

LOGISTICAL SUPPORT

S/LPD shall provide the contractor with a space in which to work and access to a word processor. S/LPD shall supply all materials and supplies necessary to the completion of the project.

UNCLASSIFIED

SOLE SOURCE JUSTIFICATION

S/LPD has been tasked with the coordination of Latin American public diplomacy efforts for the US and foreign audiences. A key component of this effort is an ability to respond to major media outlets and inform the American public regarding current Administration policies and programs. Another important part of this effort is a basic speakers' kit, well researched with non-classified sources, that permits speakers on a variety of levels to speak before a wide range of audiences. A third element is drafting one page briefs that address frequently stated criticism of US policy in the region. These elements will provide the basis for a quick response capability.

Mr. Gomez has the exact qualifications to undertake these varied tasks. As a former deputy assistant secretary of state for public affairs and head of the Foreign Press Center, he has written about, traveled to, and has an intimate knowledge of the various audiences and leadership groups that S/LPD has targeted. Mr. Gomez has the ability to write "talking points", prepare the speaker kits, analyze media reporting and provide a product in a timely manner. The project requires expertise in Central American affairs, US policy in the region, American public opinion, the operations of American news media and the design of public information strategies. It also requires superior writing skills and the ability to interact with State Department and other officials at various senior levels. It requires care in the handling of sensitive documents and good judgment in compiling information for public consumption.

A firm deadline is May 31, 1984.

UNCLASSIFIED

U.S. Infor...
400 C Street, S.W.
Washington, D.C. 20547

Beginning $26,000 per year
Ending $33,000 per year

City Washington DC
State

Exact title of your position: Writer-Editor
Name of immediate supervisor: Robert Sandin
Area Code: 202
Telephone Number: 724-1640
Number and kind of employees you supervised: 0
Kind of business or organization (manufacturing, accounting, social services, etc.): Government information
If Federal service, civilian or military series, grade or rank, and date of last promotion: FSIO-4 1/72
Your reason for leaving: Accept fellowship at Princeton

Description of work (Describe your specific duties, responsibilities and accomplishments in this job):

Wrote, translated and edited feature articles on U.S. foreign policy and other issues, particularly as they related to the Western Hemisphere; also edited the daily teletype news service for Latin America; represented the Latin American Press Branch at regional meetings in USIA and State Department; covered White House, State Department, Organization of American States and other events of interest to Latin America and Caribbean.

For agency use (skill codes, etc.)

H Name and address of employer's organization (include ZIP Code, if known)
U.S. Information Agency
400 C Street, S.W.
Washington, D.C. 20547

Dates employed (give month and year): From 7/71 To 10/72
Average number of hours per week: 45
Salary or earnings: Beginning $20,000 per year; Ending $25,000 per year
Place of employment: City Washington DC; State

Exact title of your position: Desk Officer, Caribbean/Central America
Name of immediate supervisor: Darrell Carter
Area Code: 214
Telephone Number: 670-3319
Number and kind of employees you supervised: one secretary
Kind of business or organization (manufacturing, accounting, social services, etc.): Government
If Federal service, civilian or military series, grade or rank, and date of last promotion: FSR - 5 8/71
Your reason for leaving: Transfer to another office

Description of work (Describe your specific duties, responsibilities and accomplishments in this job):

Coordinated U.S. information policies in USIS posts in five Central American and seven Caribbean countries, including overseeing the development of "Country Plan" reports on information strategies, and representing to Latin American/Caribbean affairs office at State Department and inter-governmental meetings on policy development and coordination. Also managed programs for Ecuador, Bolivia, Uruguay and Paraguay. Visited post of these countries to evaluate programs and officers. Directed USIA support programs in Washington designed to facilitate local programming and exchanges of persons in each of the countries.

For agency use (skill codes, etc.)

I Name and address of employer's organization (include ZIP Code, if known)
U.S. Information Agency
400 C Street, S.W.
Washington, D.C. 20547

Dates employed (give month and year): From 1/68 To 7/71
Average number of hours per week: 60
Salary or earnings: Beginning $9,000 per year; Ending $ 19,000 per year
Place of employment: City San Jose; State Costa Rica

Exact title of your position: Director, Binational Center
Name of immediate supervisor: Robert Amerson
Area Code: 617
Telephone Number: 367-1641
Number and kind of employees you supervised: 19 local employees
Kind of business or organization (manufacturing, accounting, social services, etc.): Educational/Cultural (USG-assisted)
If Federal service, civilian or military series, grade or rank, and date of last promotion: FSR-6 8/70
Your reason for leaving: Transfer to Washington

Description of work (Describe your specific duties, responsibilities and accomplishments in this job):

Directed 1,600-student binational cultural complex, including English-language teaching program and full range of cultural activities, e.g., exhibits, seminars, plays, etc. Coordinated hemisphere conference of Partners of Americas; member of Sister City Board of Directors; coordinated Latin American studies programs for eight American colleges and universities; raised $200,000 and secured $330,000 financing for new building; bought property, contracted engineers, architects and began construction of new half-million dollar facility.

For agency use (skill codes, etc.)

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under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

FRANCIS D. GOMEZ
DIRECTOR, FOREIGN PRESS CENTERS
UNITED STATES INFORMATION AGENCY

Before beginning his career with USIA in 1965, Frank Gomez taught Spanish for two years with the Peace Corps Training Program at the University of Washington, Seattle. Prior to that he studied and worked in Guatemala and travelled throughout Central America.

His first USIA assignment was as Assistant Cultural Affairs Officer in Bogota, Colombia. From 1968-71 he was Director of the U.S.-Costa Rican Binational Center in San Jose, followed by a tour as Desk Officer for Caribbean and Central American Affairs and later as a writer-editor in the Latin American Branch of the Agency's Press and Publications Service. From 1974-78 he served successively as Public Affairs Officer in Bamako, Mali and Port-au-Prince, Haiti. Returning to Washington in 1978, he was Deputy Chief and then later Chief of Foreign Service Personnel. In 1980 he was appointed Deputy Assistant Secretary of State for Public Affairs, and became the Director of the Foreign Press Centers in May, 1982.

Raised in Washington State, Gomez received a B.A. from the University of Washington in Seattle in 1964 and a Masters in Public Administration from George Washington University in 1982. In 1973-74 he had a Mid-Career Fellowship at the Woodrow Wilson School of Public and International Affairs, Princeton University.

He has received a Superior Honor Award, two Meritorious Honor Awards, USIA's Annual EEO Award, and was featured in the National Junior Chamber of Commerce's 1968 Outstanding Young Men in America. In 1983, Gomez was inducted into Pi Alpha Alpha, a national Public Administration Honor Society. He is a Trustee of WETA Public Television and Radio in Washington (1984-87), and appears in Who's Who in America. He speaks French, Spanish and Portuguese.

Partially Declassified/Released on 10 Feb 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

[illegible]
Arlington, Virginia 22213
(703) 533-8394

BACKGROUND SUMMARY: More than 20 years of professional development and management of communications media, political analysis, economic development, cultural programming and personnel management/training programs in five countries and the U.S.

EXPERIENCE: 1982-84 - DIRECTOR, FOREIGN PRESS CENTERS, U.S. INFORMATION AGENCY: Supervised Centers in Washington, New York, Los Angeles; arranged cabinet, sub-cabinet level briefings, interviews and tours for 1,400 resident and 3,000 visiting foreign correspondents; planned, implemented media strategies with White House, State Department; managed credentialling and Press Centers for 1983 visit of British Royal Family; directed Press Center for Williamsburg Economic Summit of Industrialized Nations.

1980-82 - DEPUTY ASSISTANT SECRETARY OF STATE FOR PUBLIC AFFAIRS: Coordinated $2 million program of seminars, opinion analysis, conferences, speakers, publications, press relations, historical research, state/local government liaison, budget, personnel administration. Member of Caribbean Basin Initiative, Immigration/Refugee Policy, and White House Task Forces.

1978-80 - CHIEF, FOREIGN SERVICE PERSONNEL, USIA: Directed recruitment, training, counselling and assignment of 1,500-member Foreign Service corps worldwide. Developed career counselling training program; directed interagency, private sector, state and local government personnel exchanges; Press Officer, four-nation Guadeloupe Summit Conference, January, 1979.

1976-78 - PUBLIC AFFAIRS OFFICER, U.S. EMBASSY, HAITI; Administered development-related cultural/information program; tripled exchanges of persons; created two Sister City programs, Haiti-New Jersey Partnership, and academic exchanges; expanded English-teaching program; detailed to White House to advance President's Latin American trip, March 1978.

1974-76 - PUBLIC AFFAIRS OFFICER, U.S. EMBASSY, MALI, WEST AFRICA: Administered Sahel drought-related information program; tripled exchange of persons; established Rochester-Bamako Sister Cities; organized Africa's first remote sensing (satellite photo-imagery interpretation) conference.

1973-74 - FELLOWSHIP, WOODROW WILSON SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS, Princeton University.

1972-73 - WRITER-EDITOR, LATIN AMERICAN PRESS BRANCH, USIA: Wrote, edited, translated feature articles on U.S. foreign policy, other topics; edited daily teletype wire service.

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1971-72 - DESK OFFICER, CENTRAL AMERICA/CARIBBEAN, USIA
Coordinated policy, information/cultural programs in 15 countries, working closely with State Department counterparts.

1968-71 - DIRECTOR, COSTA RICAN-AMERICAN CENTER, SAN JOSE; Cut costs, boosted enrollment, raised half million dollars for new cultural complex, largest fund-drive of its kind anywhere; initiated Latin American Studies programs for 8 U.S. colleges and universities; assisted Sister Cities, Partners of Americas.

1965-67 - DEPUTY DIRECTOR, COLOMBIAN-AMERICAN CENTER, BOGOTA; Supervised intensive cultural/educational program for 5,000-student complex; founded community development program to involve youth in Alliance for Progress.

1965 - JOINED UNITED STATES INFORMATION AGENCY (USIA)

1963-64 - INSTRUCTOR, LATER ASSISTANT COORDINATOR, PEACE CORPS SPANISH LANGUAGE TRAINING, University of Washington

1960-61 - ENGLISH TEACHER, GUATEMALA CITY, Guatemala

EDUCATION: MSA (Administration) G. Washington U., Washington, D.C., 1982

Fellowship, International Economics, Woodrow Wilson School of Public and International Affairs, Princeton University, 1973-74

BA (Political Science) University of Washington, Seattle, 1964

LANGUAGES: Bilingual in Spanish; fluent in French; good Portuguese

HONORS:
Superior Honor Award, USIA, 1967
Outstanding Young Men of America, National Junior Chamber of Commerce, 1968
Meritorious Service Promotion, USIA, 1970
Meritorious Honor Award, USIA, 1976
Meritorious Honor Award, USIA, 1978
Annual EEO Award, USIA, 1980
Pi Alpha Alpha, National Public Administration Honor Society, 1983
Who's Who In America 1984
Trustee, WETA Public Television and Radio, Washington, D.C. 1984-87

TRAVEL: 40 nations in Western Hemisphere, Europe, Middle East, Africa

PUBLICATIONS: Free-lance writer (under pen-name); numerous articles, speeches printed in American and foreign newspapers;

MEMBERSHIPS:
National Press Club, Washington, D.C.
Hispanic News Media Association, Washington, D.C.
President, Coalition of Federal Hispanic Employee Organizations, Washington, D.C., 1980-82
President, Hispanic Employees Council (Foreign Affairs Agencies) Washington, D.C., 1979-80

PERSONAL: Married, two children; enjoy bicycling, tennis, guitar, singing.

UNCLASSIFIED

United States Department of State

Washington, D.C. 20520

FEB 13 1984

MEMORANDUM

TO: S/S-EX - Mr. Twohie

FROM: S/LPD - Johnathan S. Miller, Acting JSM

SUBJECT: Research Contract for Francis D. Gomez, International Business Communications

Attached is a contract proposal submitted by Mr. Francis D. Gomez, Senior Associate, International Business Communications.

I would like to conclude a quick contract with Mr. Gomez to produce several articles for publications in major media outlets, a speaker's kit that will be used as the basis for all USG spokespersons, and a series of one-page briefs on a variety of topics. I would estimate a fair reimbursement for these services to be $9,500.00. A sole source justification is attached.

Your usual prompt attention to this urgent matter will be most appreciated.

Attachment:
As stated

Partially Declassified/Released on 10Feb88
under provisions of E.O. 12356
by K. Johnson, National Security Council

Drafted: S/LPD:MCFreedman
2/7/84, 632-6751

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SOLE SOURCE JUSTIFICATION

S/LPD has been tasked with the coordination of Latin American public diplomacy efforts for the US and foreign audiences. A key component of this effort is an ability to respond to major media outlets and inform the American public regarding current Administration policies and programs. Another important part of this effort is a basic speakers' kit, well researched with non-classified sources, that permits speakers on a variety of levels to speak before a wide range of audiences. A third element is drafting one page briefs that address frequently stated criticism of US policy in the region. These elements will provide the basis for a quick response capability.

Mr. Gomez has the exact qualifications to undertake these varied tasks. As a former deputy assistant secretary of state for public affairs and head of the Foreign Press Center, he has written about, traveled to, and has an intimate knowledge of the various audiences and leadership groups that S/LPD has targeted. Mr. Gomez has the ability to write "talking points", prepare the speaker kits, analyze media reporting and provide a product in a timely manner. The project requires expertise in Central American affairs, US policy in the region, American public opinion, the operations of American news media and the design of public information strategies. It also requires superior writing skills and the ability to interact with State Department and other officials at various senior levels. It requires care in the handling of sensitive documents and good judgment in compiling information for public consumption.

A firm deadline is May 31, 1984.

UNCLASSIFIED

Read instructions before completing form

1. Kind of position (job) you are filing for
Part-time consultant

2. Options for which you wish to be considered (if listed in the announcement)

3. Home phone — Area Code 703 | Number 533-8394

4. Work phone — Area Code 202 | Number 724-1640 | Extension

5. Sex (for statistics only) ☒ Male ☐ Female

6. Other last names ever used
None

7. Name (Last, First, Middle)
GOMEZ, Francis D.

Street address or RFD no. (include apartment no., if any)
6564 Williamsburg Blvd.

City: Arlington | State: VA. | ZIP Code: 22213

8. Birthplace (City & State, or foreign country)
Belle Fourche, South Dakota

9. Birth date (Month, day, year)
July 24, 1941

10. Social Security Number
537-36-5672

11. If you have ever been employed by the Federal Government as a civilian, give your highest grade, classification series, and job title.
FSO-2 Deputy Assistant Secretary of State for Public Affairs
Dates at service in highest grade (Month, day, and year)
From 7/25/80 To 5/20/82

12. If you currently have an application on file with the Office of Personnel Management for appointment to a Federal position, list: (a) the name of the area office maintaining your application, (b) the position for which you filed, and (if appropriate) (c) the date of your notice of rating, (d) your identification number, and (e) your rating.

13. Lowest pay or grade you will accept:
PAY $ per OR GRADE

14. When will you be available for work? (Month and year)
February 1984

DO NOT WRITE IN THIS BLOCK
FOR USE OF EXAMINING OFFICE ONLY

Material ☐ Submitted ☐ Returned

Entered register:

Notations:

Form reviewed:
Form approved:

Option	Grade	Earned Rating	Preference	Aug. Rating
			☐ 5 Points (Tent.)	
			☐ 10 Pts. 30% or More Comp. Dis.	
			☐ 10 Pts. Less Than 30% Comp. Dis.	
			☐ Other 10 Points	
			☐ Disallowed	
Initials and date			☐ Being Investigated	

ANNOUNCEMENT NO.

STATEMENT NO.

THIS SPACE FOR USE OF APPOINTING OFFICER ONLY
Preference has been verified through proof that the separation was under honorable conditions, and other proof as required.

☐ 5-Point ☐ 10-Point 30% or More Compensable Disability ☐ 10-Point Less Than 30% Compensable Disability ☐ 10-Point Other

Signature and title

Agency | Date

15. Are you available for temporary employment lasting (Acceptance or refusal of temporary employment will not affect your consideration for other appointments.)	YES	NO
A. Less than 1 month?	X	
B. 1 to 4 months?	X	
C. 5 to 12 months?	X	

16. Are you interested in being considered for employment by	YES	NO
A. State and local government agencies?		X
B. Congressional and other public offices?		X
C. Public international organizations?		X

17. Where will you accept a job?	YES	NO
A. In the Washington, D.C. Metropolitan area?	X	
B. Outside the 50 United States?	X	
C. Anyplace in the United States?	X	
D. Only in (specify locality)		

18. Indicate your availability for overnight travel	
A. Not available for overnight travel	
B. 1 to 5 nights per month	
C. 6 to 10 nights per month	
D. 11 or more nights per month	X

19. Are you available for part-time positions (fewer than 40 hours per week) offering	YES	NO
A. 20 or fewer hours per week?	X	
B. 21 to 31 hours per week?		X
C. 32 to 39 hours per week?		X

20. Veteran Preference. Answer all parts. If a part does not apply to you, answer "NO"	YES	NO
A. Have you ever served on active duty in the United States military service? (Exclude tours of active duty for training in Reserves or National Guard)		X
B. Have you ever been discharged from the armed services under other than honorable conditions? You may omit any such discharge changed to honorable or general by a Discharge Review Board or similar authority). If "YES", give details in Item 34.		X
C. Do you claim 5-point preference based on active duty in the armed forces? If "YES", you will be required to furnish records to support your claim at the time you are appointed.		X
D. Do you claim 10-point preference? If "YES," check the type of preference claimed and complete and attach Standard Form 15, "Claim for 10-Point Veteran Preference," together with the proof requested in that form.		X

Type of Preference: ☐ Compensable Disability 30% or More ☐ Compensable Disability Less Than 30% ☐ Noncompensable Disability ☐ Purple Heart Recipient ☐ Spouse ☐ Widow(er) ☐ Mother

E. List dates, branch, and serial number of all active service (enter "N/A", if not applicable)

From | To | Branch of Service | Serial or Service Number

Partially Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

THE FEDERAL GOVERNMENT IS AN EQUAL OPPORTUNITY EMPLOYER

171-107

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Standard Form 171 Rev. 1-78
Office of Personnel Management
FPM Chapter 295

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21 Experience: Begin with current or most recent job or volunteer experience and work back. Account for periods of unemployment exceeding three months and your residence address at that time on the last line of the experience blocks in order of occurrence.

May inquiry be made of your present employer regarding your character, qualifications, and record of employment? (A "NO" will not affect your consideration for employment opportunities except for Administrative Law Judge positions.) ☒ YES ☐ NO

A

Name and address of employer's organization (include ZIP code, if known):
U.S. Information Agency
400 C Street, S.W.
Washington, D.C. 20547

Dates employed (give month and year): From 5/82 To 2/84
Average number of hours per week: 50
Salary or earnings: Beginning $ 60,000 per year; Ending $ 65,000 per year
Place of employment: City Washington, D.C. State
Exact title of your position: Director, Foreign Press Centers
Name of immediate supervisor: Gifford D. Malone
Area Code: 202 Telephone number: 485-8548
Number and kind of employees you supervised: 7 clerical/23 prof.
Kind of business or organization (manufacturing, accounting, social services, etc.): Government information
If Federal service, civilian or military: series, grade or rank, and date of last promotion: FSIO-2/4, 1/79
Your reason for wanting to leave: Retirement

Description of work (Describe your specific duties, responsibilities and accomplishments in this job): Direct Foreign Press Centers in Washington, New York, Los Angeles, providing briefings, interviews, tours and other services to 1,500 resident and 4,000 visiting foreign correspondents; work closely with White House, Pentagon, State Department in developing/implementing public information strategies on key foreign policy issues, notably Central America, INF deployment, Middle East and others. Serve on various task forces, including Central America and Security Issues; conduct tours for Correspondents to Central America, Caribbean and elsewhere in U.S.

For agency use (skill codes, etc.)

B

Name and address of employer's organization (include ZIP code, if known):
Bureau of Public Affairs
Department of State
Washington, D.C. 20520

Dates employed (give month and year): From 7/80 To 5/82
Average number of hours per week: 50
Salary or earnings: Beginning $ 55,000 per year; Ending $ 60,000 per year
Place of employment: City Washington, D.C. State
Exact title of your position: Deputy Asst. Secretary for Public Affairs
Name of immediate supervisor: Ray G.H. Seitz
Area Code: 202 Telephone number: 632-4001
Number and kind of employees you supervised: 1 Secy., 7 office directors
Kind of business or organization (manufacturing, accounting, social services, etc.): Government information
If Federal service, civilian or military: series, grade or rank, and date of last promotion: FSIO-2/2, 1/79
Your reason for leaving: End of detail, return to USIA

Description of work (Describe your specific duties, responsibilities and accomplishments in this job):
Coordinated (with others) $2 million public affairs program in Department of State and throughout country, including publications, historical analysis and reports, public opinion analysis, budgeting and planning, public programs such as seminars, speeches, conferences, television and radio interviews, state and local government liaison with the Department, and internal Bureau of Public Affairs administration. Served as liaison with White House Office of Public Affairs, as well as with USIA, DOD, CIA, other agencies. Member of Task Forces on Central America, Caribbean Basin Initiative, Immigration/Refugee Policy; spoke widely on U.S. Central America policy

For agency use (skill codes, etc.)

C

Name and address of employer's organization (include ZIP code, if known):
U.S. Information Agency (formerly ICA)
400 C Street, S.W.
Washington, D.C. 20547

Dates employed (give month and year): From 7/79 To 7/80
Average number of hours per week: 50
Salary or earnings: Beginning $ 50,000 per year; Ending $ 55,000 per year
Place of employment: City Washington DC State
Exact title of your position: Chief, Foreign Service Personnel
Name of immediate supervisor: Angie García
Area Code: 202 Telephone number: 485-2611
Number and kind of employees you supervised: 2 cler; 7 professiona
Kind of business or organization (manufacturing, accounting, social services, etc.): Government
If Federal service, civilian or military: series, grade or rank, and date of last promotion: FSIO-2/1 1/79
Your reason for leaving: Detail to Department of State

Description of work (Describe your specific duties, responsibilities and accomplishments in this job):
[illegible] recruitment, counseling, placement and assignment of 1,[illegible]-member foreign service corps, worldwide and in U.S.; administer the "open assignments" program through which impending vacancies announced worldwide and applicants "panelled" for positions; prepare recommended slates of senior officer assignments for approval by Agency Director, and serve as Career Counselor to some 250 senior officers. Oversee operations branch which processes travel, life/health insurance, F.S. allowances, etc. Direct [illegible] program; Board of Examiner recruitment; State exchanges

If you need additional experience blocks, use Standard Form 171-A or blank sheets of paper.

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Attach Supplemental Sheets or Forms Here

Bilingual in Spanish and English
Fluent in French and speak good Portuguese

(see attached samples of speeches and articles)

B.	C. Latest license or certificate	Year	State or other licensing authority	D. Approximate number of words per minute	Typing / Shorthand

B. Name and location of last high school attended:
Fort Vancouver High School
Vancouver, Washington

Yes	Month and Year	
X	June, 1959	

	Dates Attended From	To	Years Completed Day	Night	No. of Credits Completed Semester Hours	Quarter Hours	Type of Degree (e.g. B.A.)	Year of Degree
University of Washington Seattle, Washington	9/62	6/64	2			120	BA	64
Woodrow Wilson Sch. of Pub. and Int'l Affairs, Princeton University	9/73	6/74	1		36		--	--
George Washington University Washington, D.C.	0/78	7/82		4		36	MSA	82

Chief undergraduate college subjects	Semester Hours	Quarter Hours	Chief graduate college subjects	Semester Hours	Quarter Hours
Political Science		40	Public Administration		36
Latin American Studies		40			
Languages		15			

Major field of study at highest level of college work:
Public Administration

Seminar in International Communications, Foreign Service Institute, Fall, 1972

See Section 34

PROFICIENCY

Name of Language(s)	Can Prepare and Deliver Lectures: Fluently	With Difficulty	Can Converse: Fluently	Passably	Can Translate Articles, Technical Materials, etc.: Into English	From English	Can Read Articles, Technical Materials, etc. for Own Use: Easily	With Difficulty
Spanish	X		X		X	X	X	
[illegible]nch	X		X		X	X	X	
[illegible]uguese		X		X		X	X	

Full Name	Present Business or Home Address (Number, Street, City, State and ZIP Code)	Telephone Number (include Area Code)	Business or Occupation
[illegible]b. Joseph John Jova	1630 Crescent Pl., N.W. Washington, D.C. 20009	202/667-6800	President of Meridian Int'l
[illegible]l Auersvald	Office of Public Communication B. of Publ.Aff., State Dept.	202-632-3656	Gov., Info [illegible] Director
[illegible]r. Mark Rosenberg	Florida International Univ. Miami, Florida 33199	305 554-2894	Director, Latin Amer./Carib. Ctr.

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Answer Items 27 through 33 by placing an "X" in the proper column	YES	NO
27 Are you a citizen of the United States? If NO give country of which you are a citizen	X	
NOTE: A conviction or a firing does not necessarily mean you cannot be appointed. The circumstances of the occurrence(s) and how long ago it (they) occurred are important. Give all the facts so that a decision can be made.		
28 Within the last five years have you been fired from any job for any reason?		X
29 Within the last five years have you quit a job after being notified that you would be fired? If your answer to 28 or 29 above is "YES" give details in Item 34. Show the name and address (including ZIP Code) of employer, approximate date, and reasons in each case. This information should agree with your answers in Item 21 Experience.		X
30 A Have you ever been convicted, forfeited collateral, or are you now under charges for any felony or any firearms or explosives offense against the law? (A felony is defined as any offense punishable by imprisonment for a term exceeding one year, but does not include any offense classified under the laws of a State as a misdemeanor which is punishable by a term of imprisonment of two years or less.)		X
B During the past seven years have you been convicted, imprisoned, on probation or parole, or forfeited collateral, or are you now under charges for any offense against the law not included in A above?		X
NOTE: When answering A and B above, you may omit: (1) traffic fines for which you paid a fine of $30.00 or less; (2) any offense committed before your 18th birthday which was finally adjudicated in a juvenile court or under a youth offender law; (3) any conviction the record of which has been expunged under Federal or State law; and (4) any conviction set aside under the Federal Youth Corrections Act or similar State authority.		
31 While in the military service were you ever convicted by a general court-martial? If your answer to 30A, 30B or 31 is "YES" give details in Item 34. Show for each offense: (1) date; (2) charge; (3) place; (4) court; and (5) action taken.		
32 Does the United States Government employ in a civilian capacity or as a member of the Armed Forces any relative of yours (by blood or marriage)? (See Item 32 in the attached instruction sheet.) If your answer to 32 is "YES" give in Item 34 for such relatives: (1) name; (2) present address (including ZIP Code); (3) relationship; (4) department, agency, or branch of the armed forces.	X	
33 Do you receive, or do you have pending, application for retirement or retainer pay, pension, or other compensation based upon military, Federal civilian, or District of Columbia Government service? If your answer to 33 is "YES" give details in Item 34. If military retired pay, include the rank at which you retired.	X	

Your Statement cannot be processed until you have answered all questions, including Items 27 through 33 above.
Be sure you have placed an "X" to the left of EVERY marker (◀) above, either in the "YES" or "NO" column.

34 Item No.	Space for detailed answers. Indicate item numbers to which the answers apply
24	USIA Superior Honor Award, 1967; USIA Meritorious Honor Award 1976; USIA Meritorious Honor Award 1978; USIA Annual EEO Award 1980; Outstanding Young Men of America, Jaycees, 1968; Inducted into Pi Alpha Alpha, national Public Admin. scholastic honor society, 1983; Who's Who in America, 1984.
32	Loren J. Gómez, 6535 Seaview Ave. N.W., Seattle, WA 98109; brother; Social Security Administration
33	Annuity based on 19 years of service with U.S. Information Agency
24	Fellowship in International Economics and Public Administration; Woodrow Wilson School of Public and International Affairs, Princeton, University, Princeton, New Jersey, 1973-74

If more space is required, use full sheets of paper approximately the same size as this page. Write on each sheet your name, birth date, and announcement or position title. Attach all sheets to this Statement at the top of page 3.

ATTENTION—THIS STATEMENT MUST BE SIGNED

Read the following paragraphs carefully before signing this Statement

A false answer to any question in this Statement may be grounds for not employing you, or for dismissing you after you begin work, and may be punishable by fine or imprisonment (U.S. Code, Title 18, Section 1001). All the information you give will be considered in reviewing your Statement

AUTHORITY FOR RELEASE OF INFORMATION

I have completed this Statement with the knowledge and understanding that any or all items contained herein may be subject to investigation prescribed by law or Presidential directive and I consent to the release of information concerning my capacity and fitness by employers, educational institutions, law enforcement agencies, and other individuals and agencies, to duly accredited investigators, Personnel Staffing Specialists, and other authorized employees of the Federal Government for that purpose.

CERTIFICATION	SIGNATURE (Sign in ink)	DATE
I certify that all of the statements made by me are true, complete and correct to the best of my knowledge and belief, and are made in good faith.		

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Standard Form 171-A (Rev. 1-78)
Office of Personnel Management
FPM Chapter 295

CONTINUATION SHEET FOR STANDARD FORM 171
PERSONAL QUALIFICATIONS STATEMENT

Form Approved
OMB No. 50-R0337

INSTRUCTIONS—Fill out this form only when necessary for completion of Item 21, "EXPERIENCE," on Standard Form 171. Enclose with your Statement. Typewrite or print clearly in dark ink.

1. Name (Last) (First) (Middle): GOMEZ Francis D.
2. Birth date (Month, day, year): July 24, 1941
3. Kind of position applied for, or name of examination: Consultant

D

Name and address of employer's organization (include ZIP Code, if known):
U.S. Information Agency (formerly ICA)
400 C Street, S.W.
Washington, D.C. 20547

Dates employed (give month and year): From 8/78 To 7/79
Average number of hours per week: 50
Salary or earnings: Beginning $45,000 per year; Ending $49,000 per year
Place of employment: City Washington, D.C; State
Exact title of your position: Chief, Career Counselling
Name of immediate supervisor: Angie García
Area Code: 202
Telephone number: 485-2611
Number and kind of employees you supervised: 1 sec., 7 prof.
Kind of business or organization (manufacturing, accounting, social services, etc.): Government personnel
If Federal service, civilian or military: series, grade or rank, and date of last promotion: FSIO-2/1 1/79
Your reason for leaving: Accept promotion to Chief of F.S. Personnel
For agency use (skill codes, etc.)

Description of work (Describe your specific duties, responsibilities and accomplishments in this job):

Directed "open assignments" program whereby positions are announced worldwide and my
staff of six career counselors, working with geographic personnel officers, select
officers for foreign service positions abroad and in U.S. Prepared slates of officers
nominated for senior positions for approval by Agency Director; Served as Deputy Chief
of Foreign Service Personnel; counselled "problem" cases; oversaw Operations Branch which
provided transportation, effects, benefits, etc. for FS personnel.
Conceived and directed career counselling seminars for counselors.

E

Name and address of employer's organization (include ZIP Code, if known):
U.S. Information Agency
400 C Street, S.W.
Washington, D.C. 20547

Dates employed (give month and year): From 6/76 To 7/78
Average number of hours per week: 60
Salary or earnings: Beginning $40,000 per year; Ending $44,000 per year
Place of employment: City Port-au-Prince; State Haiti
Exact title of your position: Public Affairs Officer
Name of immediate supervisor: Heyward Isham
Area Code: 202
Telephone number: 632-
Number and kind of employees you supervised: 2 cler.; 8 prof.
Kind of business or organization (manufacturing, accounting, social services, etc.): American Embassy
If Federal service, civilian or military: series, grade or rank, and date of last promotion: FSIO-3 1/77
Your reason for leaving: Transfer to U.S.
For agency use (skill codes, etc.)

Description of work (Describe your specific duties, responsibilities and accomplishments in this job):

Directed broad public information program on behalf of U.S. Information Service, the
U.S. Embassy and the Agency for International Development. Drafted, distributed press
releases to media; organized seminars, conferences; arranged for VIP visits; headed
AIDSAT satellite demonstration program; founded Haiti-New Jersey Partners of Americas
Program; founded Charlotte, N.C.-Port-au-Prince Sister Cities; directed and expanded
exchange of persons program; strong emphasis in programs on human
rights and development; Meritorious Honor Award for Human Rights work

F

Name and address of employer's organization (include ZIP Code, if known):
U.S. Information Agency
400 C Street, S.W.
Washington, D.C. 20547

Partially Declassified/Released on [illegible]
under provisions of E.O. 12356
by K. Johnson, National Security Council

Dates employed (give month and year): From 7/74 To 4/76
Average number of hours per week: 60
Salary or earnings: Beginning $36,000 per year; Ending $39,000 per year
Place of employment: City Bamako; State Mali, West Afr
Exact title of your position: lic Affairs Officer
Name of immediate supervisor: Amb. Horace Dawson
Area Code / Telephone number: U.S. Embassy, Lagos
Number and kind of employees you supervised: 9 local employees
Kind of business or organization (manufacturing, accounting, social services, etc.): U.S. Embassy
If Federal service, civilian or military: series, grade or rank, and date of last promotion: FSIO-4 1/72
Your reason for leaving: Transfer to Haiti
For agency use (skill codes, etc.)

Description of work (Describe your specific duties, responsibilities and accomplishments in this job):

Directed public information program on behalf of Embassy, USIS, USAID focussing on U.S.
drought relief efforts during and in aftermath of the Sahel drought; organized photo
exhibits depicting programs; arranged coverage of visits, Codels, programs, mercy
missions, Peace Corps and other projects; organized Africa's first conference on
remote sensing (satellite photo-imagery interpretation); founded Rochester, New York-
Bamako Sister City program.

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18 Jun 84

TO: ☒ SUPPLY & TRANS. ☐ LIBRARY ☐ PUBLIC HEALTH SERVICE ☐ OFFICE OF FOREIGN BLDG. GSA OTHER

ATTENTION: FRANCIS GOMEZ

PHONE: (703)-533-8344

[redacted] 2. CONTRACT NUMBER

4. DEST 010122

5. PSC

6. SHIPPING INSTRUCTIONS

7. REQUISITION NUMBER 1001-402296 -A

9. GBL NUMBER

11. 840614

12. REQ. OFFICE S/S-EX

SC

15. DESCRIPTION AMENDING [redacted] FOR PROFESSIONAL SERVICES - FRANCIS GOMEZ

16. AMOUNT 980000

17. APPROPRIATION	ALLOTMENT	OBLIG.	ORG.	FUNC.	OBJ.	S.OBJ.
1940113	1001	402296	010122		2559	

18. CONTRACTOR TO: DUNS 991745811

FRANCIS D. GOMEZ
6564 WILLIAMSBURG BLVD.
ARLINGTON,
VA 22213
ZIP

19. CONSIGNEE AND DESTINATION SHIP TO

DIV. TRAN AND

84 JUN 18 P4:15

DEPARTMENT OF STATE

20. ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN				S.10	SUPPLIES OR SERVICES	Delivery Date	U/I	NO. OF UNITS	UNIT PRICE	TOTAL
1-4	5-8	9-10	11-13	14-17		18-43	43-39	30-31	52-56	57-65	
01						PROFESSIONAL SERVICES					

Please amend and extend the purchase order for the services of Mr. Francis D. Gomez which will expire on June 30, 1984. The new purchase order should run from July 1 to September 1, 1984 with the amount totaling $9,800.00. Half of the total amount should be payable at the beginning of the period; the remaining half payable upon certification that the performance is in accordance with the purchase order specifications.

Attached is a sole source justification and statement of work.

REQUESTED BY:
S/LPD - Otto J. Reich
FILE NO. 1108

[redacted] Declassified/Released on 10FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5508

DANIEL E. ALLEN 632-9221

UNCLASSIFIED

6/15/84 6/15/84

Signature Date

UNCLASSIFIED

TO: ☒ SUPPLY & TRANS. ☐ LIBRARY ☐ PUBLIC HEALTH SERVICE ☐ OFFICE OF FOREIGN BLDG. GSA OTHER

ATTENTION: FRANCIS GOMEZ
PHONE: (703)-533-8394

2. CONTRACT NUMBER

4. DEST D10122

5. PSC

6. SHIPPING INSTRUCTIONS

7. REQUISITION NUMBER 1001-402296 [redacted] -A

9. GBL NUMBER

11. Date P 840614

12. REQ. OFFICE S/S-EX

SC

15. DESCRIPTION AMENDING [redacted] FOR PROFESSIONAL SERVICES - FRANCIS GOMEZ

16. AMOUNT 980000

17. APPROPRIATION 1940113

ALLOTMENT 1001

OBLIG. 402296 [redacted]

ORG. D10122

FUNC.

OBJ. 2589

S.OBJ

18. CONTRACTOR TO:

DUNS 991745816

FRANCIS D. GOMEZ
6564 WILLIAMSBURG BLVD.
ARLINGTON,
VA 22213
ZIP

19. CONSIGNEE AND DESTINATION SHIP TO

84 JUN 18 P4:15
DEPARTMENT OF STATE
TRAN AND

20. ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN				S.10	SUPPLIES OR SERVICES	Delivery Date	U/I	NO. OF UNITS	UNIT PRICE	TOTAL
1-4	5-8	9-10	11-13	14-17		18-43	43-90	50-51	52-56	57-65	
01						PROFESSIONAL SERVICES					

Please amend and extend the purchase order for the services of Mr. Francis D. Gomez which will expire on June 30, 1984. The new purchase order should run from July 1 to September 1, 1984 with the amount totaling $9,800.00. Half of the total amount should be payable at the beginning of the period; the remaining half payable upon certification that the performance is in accordance with the purchase order specifications.

Attached is a sole source justification and statement of work.

REQUESTED BY:
S/LPD - Otto J. Reich
FILE NO. 1108

DANIEL E. ALLEN 632-9221

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Signature 6/15/84 6/15/84

1001 United States Department of State ~~S/S~~ SA

Washington, D.C. 20520

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Liz, please do ed form and include as amendment to current contract. I will have Frank hand carry. Thanks Dan

File! 1108

MEMORANDUM:

TO: S/S-EX - George Twohie

FROM: S/LPD - Otto J. Reich

SUBJECT: Amended Purchase Order Contract for Frank Gomez

This is to request that the current purchase order for Mr. Francis Gomez (1001-402296) be amended and extended. The current order will expire on June 30, 1984. The new purchase order should run from July 1 - September 1, 1984. The amount should total $9,800.00. Half of the total amount should be payable at the beginning of the period. The remaining half shall be payable upon certification that the performance is in accordance with the purchase order specifications. Due to his travelling and other expenses incurred, we believe that this method of payment is reasonable.

Mr. Gomez has provided unique services to this office. We believe that this third purchase order will continue to play a signficant role in assisting our public diplomacy efforts in Central America. Under this amended purchase order contract, Mr. Gomez will develop a Nicaraguan election strategy taking into account the Secretary's recent trip to Managua. He will write op-ed pieces and he will prepare talking points and write speeches on Central American topics for use by USG officials as determined by the Coordinator, S/LPD. He will likely travel to Central America to follow-up on these projects.

Attached for your information is a sole source justification and statement of work. A copy of the amended purchase order should be sent to:

Mr. Francis Gomez
[illegible]
[illegible]

~~Partially~~ Declassified/Released on 10FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

Thank you for [illegible]

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SOLE SOURCE JUSTIFICATION

S/LPD has been tasked with the coordination of Latin American public diplomacy efforts. One of the key events in the near future is the Nicaraguan elections and the US response to the elections. This office will coordinate an interagency response. Mr. Gomez has the background and qualifications to undertake a major action plan for the election. He has a proven track record - as demonstrated from his activities that followed from his previous purchase orders. He has the technical and professional experience.

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Page of Pages

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TO: ☐ SUPPLY & TRANS ☐ LIBRARY ☐ PUBLIC HEALTH SE ☐ OFFICE OF FOREIGN BLDG OTHER

PHONE 703-

1 REG

3 CONTRACT NUMBER

4 DEST. 010122

5. PSC

6. SHIPPING INSTRUCTIONS

7 REQUISITION NUMBER 1001-402296

9. GBL NUMBER

11. Date P A40416

12. REQ. OFFICE S/S-EX

13.

A1

14

15 DESCRIPTION AMENDING PO REQUEST FOR - FRANCIS GOMEZ

16 AMOUNT

17. APPROPRIATION 1940113

ALLOTMENT 1001

OBLIG. 402296

ORG. 010122

FUNC.

OBJ

$ OBJ

18. CONTRACTOR TO..

DUNS

FRANCIS D. GOMEZ
6564 WILLIAMSBURG BLVD.
ARLINGTON
VA 22213

ZIP

19. CONSIGNEE AND DESTINATION

SHIP TO

20. ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN	S.IO	SUPPLIES OR SERVICES	Delivery Date	U/I	NO. OF UNITS	UNIT PRICE	TOTAL
1-4	5-8 · 11-13 · 14-17		18-43	49-50		52-56	57-66	
01			PROFESSIONAL SERVICES					

This is to amend the purchase order request submitted by S/LPD for the services of Mr. Francis Gomez who is reaching the end of his current purchase order contract. S/LPD is requesting a follow-on purchase order contract totalling $9500.00. Work statement and sole source of justification attached.

Requested by:
S/LPD - Otto J. Reich
FILE NO. 573

21. FOB POINT/FAS POINT

GSA FEDSTRIP IDENTIFICATION CODING

1-3	4-6	7	30-35	36-39	44	45-50	51	52-53	54-59	

25 APPROVING

Signature Date

26 FUNDS AVAIL

UNCLASSIFIED

Signature Date

UNCLASSIFIED

June 4, 1984

MEMORANDUM FOR: S/LPD - Matthew Freedman

FROM: Francis D. Gómez FG

SUBJECT: Present and Future Purchase Orders

Per our earlier discussions and exchanges of memoranda, it is my understanding that we are presently operating under a second purchase order covering personal services for the period May 1 through June 30. To date, despite the fact that more than half of the period has elapsed, I have received no payment. I request, therefore, prompt payment of the amount due for the first half of the period, plus an immediate request for payment of the balance.

Declassified/Released on 10Feb88
under provisions of E.O. 12356
by K. Johnson, National Security Council

In addition, I wish to request that a purchase order be prepared for personal services to be provided to S/LPD during the period July 1 - September 1. The amount of the purchase order shall be $9,800, half of which shall be payable at the beginning of the period. The remaining half shall be payable upon certification that the balance of the services to be performed shall be performed in accordance with the purchase order specifications. Following is a description of the principal activities to be undertaken by the contractor during the period in question:

1) Nicaraguan Elections Strategy

The Contractor shall develop and help execute a public affairs strategy and program [illegible] the November 4 elections in

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Nicaragua. The strategy and program shall take into consideration the recent Shultz visit to Managua and the manifest desire of the Administration to bring about change in Nicaraguan behavior through dialogue. Included in the activities will be the coordination of visits to Washington by Nicaraguan citizens and arrangements for meetings, press conferences, interviews and other events.

2) Op-Ed Page Articles

The Contractor shall draft and attempt to place in prominent newspapers and magazines Op-Ed type articles on various Central American themes. These shall be both for his signature as well as for that of appropriate S/LPD and other State Department officials. He shall be responsible for securing all necessary clearances prior to the release of the articles.

3) Talking Points and Speeches

The Contractor shall prepare talking points and write speeches on Central American topics for use by S/LPD officials, or himself, in public programs, interviews and other occasions. The talking points and speeches shall reflect current developments in the region and in U.S. policies and approaches to Central America. He shall be responsible for careful tailoring of remarks for the different kinds of audiences to be addressed, and he shall obtain the necessary State Department clearances.

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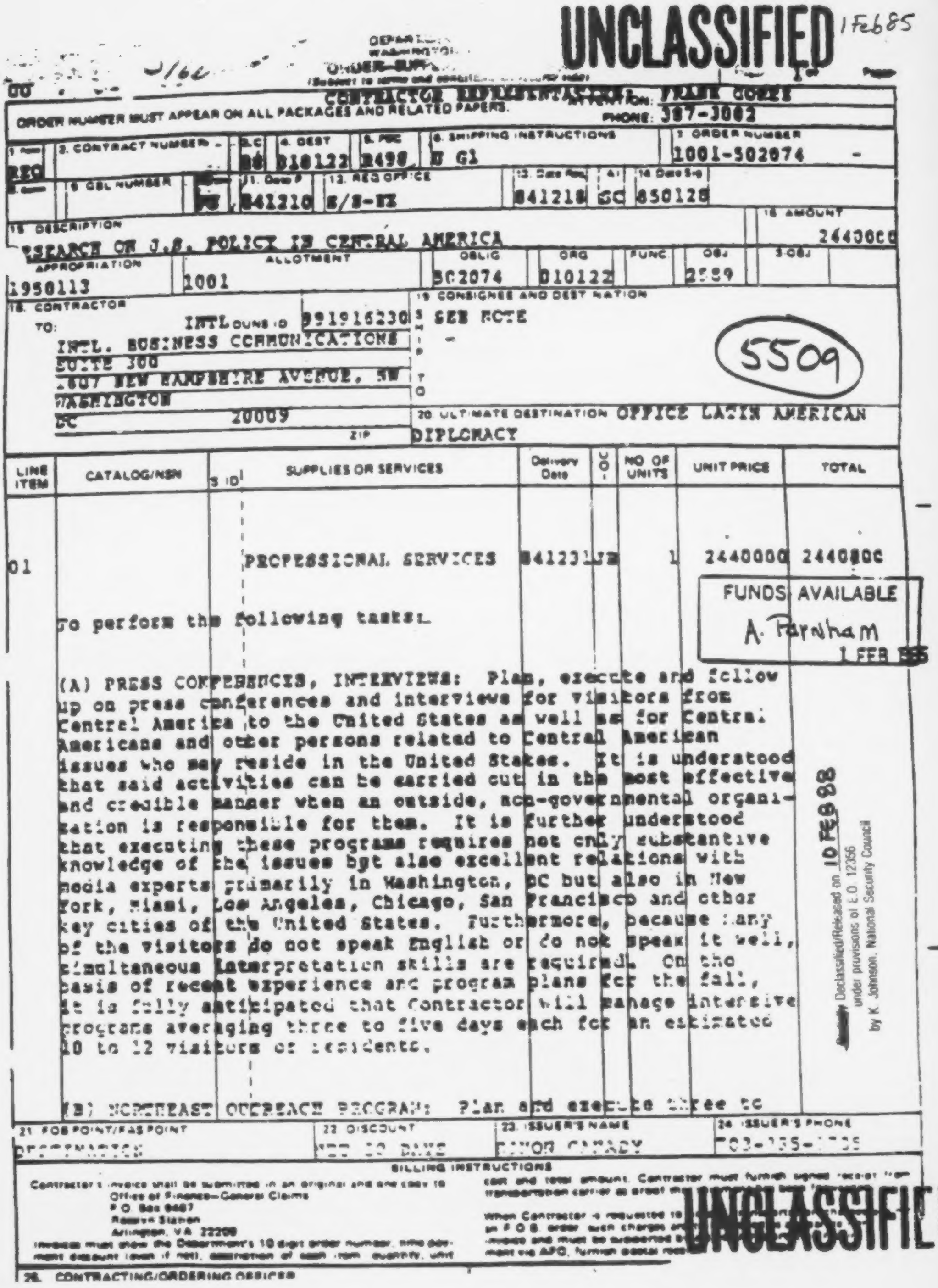

UNCLASSIFIED 1Feb85

DEPAR... WASHINGTO...
ORDER—SUPP...
(Subject to terms and conditi...)

CONTRACTOR REPRESENTATIVE: ATTENTION: FRANK GOMEZ
ORDER NUMBER MUST APPEAR ON ALL PACKAGES AND RELATED PAPERS. PHONE: 387-3002

1. REQ	2. CONTRACT NUMBER	3. C 88	4. DEST 010122	5. FSC 2498	6. SHIPPING INSTRUCTIONS U G1	7. ORDER NUMBER 1001-502074
	9. GBL NUMBER		11. Date 841210	12. REQ OFFICE S/S-EX	13. Date Req 841218 · SC · 14. Date Sig 850128	

15. DESCRIPTION
RESEARCH ON U.S. POLICY IN CENTRAL AMERICA
16. AMOUNT 2440000

APPROPRIATION	ALLOTMENT	OBLIG	ORG	FUNC	OBJ	S-OBJ
1950113	1001	502074	010122		2589	

18. CONTRACTOR
TO: INTL DUNS ID 991916230
INTL. BUSINESS COMMUNICATIONS
SUITE 300
1607 NEW HAMPSHIRE AVENUE, NW
WASHINGTON
DC 20009
ZIP

19. CONSIGNEE AND DESTINATION
SHIP TO SEE NOTE

5509

20. ULTIMATE DESTINATION OFFICE LATIN AMERICAN DIPLOMACY

LINE ITEM	CATALOG/NSN	SUPPLIES OR SERVICES	Delivery Date	U/I	NO OF UNITS	UNIT PRICE	TOTAL
01		PROFESSIONAL SERVICES	841231	JB	1	2440000	2440000

FUNDS AVAILABLE
A. Parnham
1 FEB 85

To perform the following tasks:

(A) PRESS CONFERENCES, INTERVIEWS: Plan, execute and follow up on press conferences and interviews for visitors from Central America to the United States as well as for Central Americans and other persons related to Central American issues who may reside in the United States. It is understood that said activities can be carried out in the most effective and credible manner when an outside, non-governmental organization is responsible for them. It is further understood that executing these programs requires not only substantive knowledge of the issues but also excellent relations with media experts primarily in Washington, DC but also in New York, Miami, Los Angeles, Chicago, San Francisco and other key cities of the United States. Furthermore, because many of the visitors do not speak English or do not speak it well, simultaneous interpretation skills are required. On the basis of recent experience and program plans for the fall, it is fully anticipated that Contractor will manage intensive programs averaging three to five days each for an estimated 10 to 12 visitors or residents.

(B) NORTHEAST OUTREACH PROGRAM: Plan and execute three to

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under provisions of E.O. 12356
by K. Johnson, National Security Council

21. FOB POINT/FAS POINT DESTINATION	22. DISCOUNT NET 30 DAYS	23. ISSUER'S NAME [illegible]	24. ISSUER'S PHONE 703-235-[illegible]

BILLING INSTRUCTIONS

Contractor's invoice shall be submitted in an original and one copy to
Office of Finance—General Claims
P.O. Box 9487
Rosslyn Station
Arlington, VA 22209
Invoices must show the Department's 10 digit order number, time payment discount (even if net), description of each item, quantity, unit cost and total amount. Contractor must furnish signed receipt from transportation carrier as proof ...

When Contractor is requested to ... on F.O.B. order, such charges ... invoice and must be supported b... ment via APO, furnish postal rec...

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25. CONTRACTING/ORDERING OFFICER

UNCLASSIFIED

DEPARTMENT OF STATE
WASHINGTON, DC. 20520
ORDER—SUPPLIES OR SERVICES
(Subject to terms and conditions on reverse side)

Page 2 of Pages

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ORDER NUMBER MUST APPEAR ON ALL PACKAGES AND RELATED PAPERS

ATTENTION:
PHONE

1 Form RFC
2 CONTRACT NUMBER
3 C
4 DEST
5 FSC
6 SHIPPING INSTRUCTIONS
7 ORDER NUMBER 1001-502074 -
8 Comm
9 GBL NUMBER
10
11 Date P
12 REQ OFFICE
13 Date Req
A1 50
14 Date Sig
15 DESCRIPTION [illegible]
16 AMOUNT
17 APPROPRIATION
ALLOTMENT
OBLIG
ORG
FUNC
OBJ
S OBJ
18 CONTRACTOR
TO
DUNS ID
ZIP
19 CONSIGNEE AND DESTINATION
SHIP TO
20 ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN	S ID	SUPPLIES OR SERVICES	Delivery Date	U/I	NO. OF UNITS	UNIT PRICE	TOTAL

four speaking tours to the northeast of the United States to include Boston, Hartford, Providence, New York and Philadelphia. The speakers to be programmed will be Central Americans either visiting or residing in the U.S. and their programs will include universities, editorial board meetings, civic groups and other organizations. It is understood the Contractor will strive to obtain local sponsorship for the largest possible number of program events in order to project an image of grass roots support and involvement with respect to the message being transmitted. It is further understood the Contractor shall cover the costs of incidental travel, telephone calls, taxi fares, preparation of documents and miscellaneous expenses required for the conduct of these programs. Contractor, furthermore, shall provide simultaneous interpretation where and when needed.

(C) ANALYSIS OF SALVADOR PAPERS: Carry out a thorough analysis of a collection of documents captured in the conflict of El Salvador. This analysis shall include but not be limited to the identification of support groups in the United States, the provision of funds to guerrilla organizations by support groups abroad, the organization and strength of the guerrilla groups, guerrilla tactics and related issues. Documents shall be organized, identified, dated and translated to the degree necessary to make their contents understandable by the general public.

Period of performance shall be from October 1, 1984 through December 31, 1984. Total amount for this project shall not

21 FOB POINT/FAS POINT DESTINATION
22 DISCOUNT NET 30 DAYS
23 ISSUER'S NAME [illegible] CANADY
24 ISSUER'S PHONE 703-235-17[illegible]

BILLING INSTRUCTIONS

Contractor's invoice shall be submitted in an original and one copy to
Office of Finance—General Claims
P.O. Box 9487
Rosslyn Station
Arlington, VA 22209
Invoices must show the Department's 10 digit order number, time pay-

cost and total amount [illegible] transportation [illegible]

When Contractor is [illegible] on F.O.B. order such charges are to be added as a separate item to the invoice and must be supported by a paid transportation receipt if the

UNCLASSIFIED

ORDER FOR SUPPLIES OR SERVICES
(Subject to terms and conditions on reverse side)

ORDER NUMBER MUST APPEAR ON ALL PACKAGES AND RELATED PAPERS.

ATTENTION:
PHONE:

1. Type: [illegible]
2. CONTRACT NUMBER: [redacted]
3. C
4. DEST
5. FSC
6. SHIPPING INSTRUCTIONS
7. ORDER NUMBER: 1001-502074 -
8. GBL NUMBER
11. Date P
12. REQ OFFICE
13. Date Req
AI: SC
14. Date Sig.
15. DESCRIPTION: CONTINUED
16. AMOUNT

APPROPRIATION	ALLOTMENT	OBLIG.	ORG	FUNC	OBJ.	S-OBJ.

18. CONTRACTOR
TO:
DUNS ID

19. CONSIGNEE AND DESTINATION
SHIP TO

20. ULTIMATE DESTINATION

ZIP

LINE ITEM	CATALOG/NSN	S. ID	SUPPLIES OR SERVICES	Delivery Date	U/I	NO. OF UNITS	UNIT PRICE	TOTAL

exceed $24,400.00 unless authorized in writing by the Contracting Officer.

Mr. Johnathan S. Miller (Tel. No. 632-6751), Office of Latin America Public Diplomacy (S/LPD), shall serve as the liaison officer for the Department on this project. Technical inquiries relating to this project shall be directed to Mr. Miller.

CONSIGNEE AND DESTINATION
DEPARTMENT OF STATE, S/LPD
OFFICE OF LATIN AMERICA PUBLIC DIPLOMACY
ROOM 6253, NEW STATE BUILDING
2201 "C" STREET, NW
WASHINGTON, DC 20520
(FILE NO. 203)

TOTAL DOLLAR AMOUNT FOR THIS ACTION $24400.00

It should be particularly noted that with respect to any contract for the furnishing of services to the Federal Government, the provisions requiring specified hourly rates of pay contained in the Fair Labor Standards Act of 1938 and the Service Contract Act of 1965 are in most instances variously applicable to all employees of the Contractor and any subcontractors under such contract. Generally, such employees must be paid the minimum wages provided for by

21. FOB POINT/FAS POINT: DESTINATION
22. DISCOUNT: NET 30 DAYS
23. ISSUER'S NAME: SIMON CANADY
24. ISSUER'S PHONE: 703-235-1735

BILLING INSTRUCTIONS

Contractor's invoice shall be submitted in an original and one copy to:
Office of Finance—General Claims
P.O. Box 9487
Rosslyn Station
Arlington, VA 22209
Invoices must show the Department's 10 digit order number, time payment discount (even if net), description of each item, quantity, unit

cost and [illegible] transportation [illegible]

UNCLASSIFIED

When Contract[illegible] an F.O.B. [illegible] invoice and must be supported by a paid transportation receipt. If shipment via APO, furnish postal receipts.

25. CONTRACTING/ORDERING OFFICER

UNCLASSIFIED

[redacted]

ORDER—SUPPLIES OR SERVICES

ORDER NUMBER MUST APPEAR ON ALL PACKAGES AND RELATED PAPERS

ATTENTION:
PHONE:

1 Form [illegible]	2 CONTRACT NUMBER	3 C	4 DEST	5 PSC	6 SHIPPING INSTRUCTIONS	7 ORDER NUMBER 1001-502874 -
8 Comm	9 GBL NUMBER [redacted]	11. Date P	12. REQ OFFICE	13. Date Req	AI 20	14. Date Sig

15. DESCRIPTION
CONTINUED

16. AMOUNT

17 APPROPRIATION	ALLOTMENT	OBLIG	ORG	FUNC	OBJ	S-OBJ

18. CONTRACTOR
TO:
DUNS ID
ZIP

19 CONSIGNEE AND DESTINATION
SHIP TO

20 ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN	S. ID	SUPPLIES OR SERVICES	Delivery Date	U/I	NO. OF UNITS	UNIT PRICE	TOTAL
			sections 6(a)(1) or (b) of the Fair Labor Standards Act of 1938, except those whose wages are governed by the Service Contract Act of 1965 (i.e., those who are engaged in the performance of the contract). THE TERMS AND CONDITIONS OF THE PROMPT PAYMENT ACT (P.L. 97-177) AND OMB CIRCULAR A-125, F.O.B. DESTINATION, ARE APPLICABLE TO THIS ORDER, AS PER ATTACHMENT.					

UNCLASSIFIED

21. FOB POINT/FAS POINT	22 DISCOUNT	23. ISSUER'S NAME	24. ISSUER'S PHONE
DESTINATION	NET 30 DAYS	SIMON CANADY	703-235-1725

BILLING INSTRUCTIONS

Contractor's invoice shall be submitted in an original and one copy to:
Office of Finance—General Claims
P.O. Box 9487
Rosslyn Station
Arlington, VA 22209

Invoices must show the Department's 18 digit order number, time payment discount (even if net), description of each item, quantity, unit cost and total amount. Contractor must furnish signed receipt from transportation carrier as proof that shipment has been forwarded.

When Contractor is requested to prepay transportation charges against an F.O.B. order, such charges are to be added as a separate item to the invoice and must be supported by a paid transportation receipt. If shipment via APO, furnish postal receipts.

25. CONTRACTING/ORDERING OFFICER
Simon L. Canady 1/28/85

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REQUISITION FOR EQUIPMENT

00

TO: SUPPLY & TRANS. / LIBRARY / PUBLIC HEALTH SERVICE / OFFICE OF FOREIGN BLDG / GSA / OTHER

ATTENTION:

PHONE:

1. Form: RE2

2. CONTRACT NUMBER

4. DEST: 010122

5. PSC: C498

6. SHIPPING INSTRUCTIONS

7. REQUISITION NUMBER: 1001-502074

9. GBL NUMBER

11. Date: 841210

12. REQ. OFFICE: S/S-EX

SC

15. DESCRIPTION: CONTRACT FOR INTERNATIONAL BUSINESS COMMUNICATIONS - S/LPD

16. AMOUNT: 2460000

17. APPROPRIATION: 1950113

ALLOTMENT: 1001

OBLIG: 502074

ORG: 010122

OBJ: 2589

18. CONTRACTOR

19. CONSIGNEE AND DESTINATION

20. ULTIMATE DESTINATION

01 I.B.C. CONTRACT JB 1 2460000

THIS IS TO REQUEST THA A PURCHAS ORDER IN THE AMOUNT OF $24,600.00 BE PREPARED FOR INTERNATIONAL BUSINESS COMMUNICATIONS. THE CONTRACT PERIOD IS OCT. 1 - DEC 31, 1984 AND IS A CONTINUATION OF SERVICES OF CONTRACT H1001-502296A, WHICH EXPIRED SEPT. 1 1984. THE PREVIOUS CONTRACT VENDOR, MR. FRANCIS GOMEZ, HAS RECENTLY FORMED A BUSINESS UNDER THE NAME INTERNATIONAL BUSINESS COMMUNICATIONS; HENCE THE VENDOR NAME CHANGE.

ATTACHED FOR YOUR REVIEW ARE A PROJECT DESCRIPTION, INFO COPIES OF CONTRACT H1001-402296A, AND A SOLE SOURCE JUSTIFICATION PACKAGE FOR MR. GOMEZ. THE AMOUNT OF THE PROPOSED CONTRACT IS LARGER THAN PREVIOUS CONTRACTS, BUT IN THIS CASE I.B.C. WILL COVER EXPENSES NORMALLY COVERED BY THIS OFFICE, SUCH AS TRAVEL. THE CONTRACT SHOULD BE COVERED BY FUNDS IN OUR FY 85 BUDGET.

THANK YOU FOR YOUR PROMPT ATTENTION TO THIS MATTER. THIS MEMORANDUM IS IN LIEU OF THE ATTACHED, DATED SEPTEMBER 12, 1984

ATTACHMENTS
AS STATED.

REQUESTED BY:
S/LPD - JOHNATHAN MILLER
FILE NO. 285

UNCLASSIFIED

GERRI O'BRIEN 632-[illegible]

DEPARTMENT OF STATE
Executive Office

D... of State

UNCLASSIFIED

12/18/84

Mr. Simon Canady
OPR/STP
Rm. 528
SA-6

Dear Simon,

Per our discussion, I am attaching a copy of the documents and purchase order initiated by S/LPD to contract for the services of IBC (Mr. Frank Gomez is a Principal). Also attached is a copy of contract guidance that we are sending to all S offices that initate such contracts. There is an extra copy for Bill Moran if you don't mind passing it on to him. Basically we have told S/LPD and T/CIP that all future contracts must be processed in accordance with those guidelines. The person in S/LPD to check with is a Mary Ellen Powell? 632-6751

Thanks — Dan Allen

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under provisions of E.O. 12356
by K. Johnson, National Security Council

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[redacted]

United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

December 4, 1984

MEMORANDUM

TO: S/S-EX - Mr. George Twohie

FROM: S/LPD - Johnathan Miller JM

SUBJECT: Purchase Order Contract for International Business Communications (I.B.C.)

This is to request that a purchase order in the amount of $24,600.00 be prepared for International Business Communications. The contract period is Oct. 1 - Dec. 31, 1984, and is a continuation of services of contract #1001-402296-A, which expired Sept. 1 1984. The previous contract vendor, Mr. Francis Gomez, has recently formed a business under the name International Business Communications; hence the vendor name change.

Attached for your review are a project description, info copies of contract #1001-402296-A, and a sole source justification package for Mr. Gomez. The amount of the proposed contract is larger than previous contracts, but in this case I.B.C. will cover expenses normally covered by this office, such as travel. The contract should be covered by funds in our FY 85 budget.

Thank you for your prompt attention to this matter. This memorandum is in lieu of the attached, dated September 12, 1984.

Attachments
As stated.

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under provisions of E.O. 12356
by K. Johnson, National Security Council

- Johnnie: please expedite and have Speedy in [illegible] hand deliver to OPRI Tim Moran
File # 285
Thanks

Drafted by:S/LPD:JEPowell JEP
Cleared by:S/LPD:JMiller

UNCLASSIFIED

Drafted by:S/LPD:JEPowell
12/4/84 x26751
Document #0393A
Cleared by:S/LPD:JMiller

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SOLE SOURCE JUSTIFICATION

S/LPD has been tasked with the coordination of Latin American public diplomacy efforts for the US and foreign audiences. A key component of this effort is an ability to respond to major media outlets and inform the American public regarding current Administration policies and programs. Another important part of this effort is a basic speakers' kit, well researched with non-classified sources, that permits speakers on a variety of levels to speak before a wide range of audiences. A third element is drafting one page briefs that address frequently stated criticism of US policy in the region. These elements will provide the basis for a quick response capability.

Mr. Gomez has the exact qualifications to undertake these varied tasks. As a former deputy assistant secretary of state for public affairs and head of the Foreign Press Center, he has written about, traveled to, and has an intimate knowledge of the various audiences and leadership groups that S/LPD has targeted. Mr. Gomez has the ability to write "talking points", prepare the speaker kits, analyze media reporting and provide a product in a timely manner. The project requires expertise in Central American affairs, US policy in the region, American public opinion, the operations of American news media and the design of public information strategies. It also requires superior writing skills and the ability to interact with State Department and other officials at various senior levels. It requires care in the handling of sensitive documents and good judgment in compiling information for public consumption.

A firm deadline is May 31, 1984.

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United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

January 15, 1985

MEMORANDUM

TO: S/S-EX - Ms. Toni Hawkins

FROM: S/LPD - Johnathan Miller JSM

SUBJECT: Payment for Outstanding Bill

This office has received a bill from International Business Communications, in the sum of $24,400.00, for services and activities accomplished for S/LPD from September through December 1984, purchase order # 1001-502074. Attached is a detailed list of services performed.

'85 JAN 28 P2:10

cc:S/S-EX-Gerri O'Brien

[redacted]y Declassified/Released on 10Feb88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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United States Department of State
Washington, D.C. 20520

UNCLASSIFIED

January 15, 1985

MEMORANDUM

TO: M/COMP/GC - Ms. Anita Brown

FROM: S/LPD - Johnathan Miller

SUBJECT: Payment for Outstanding Bill

This office has received a bill from International Business Communications for services and activities accomplished for S/LPD from September through December 1984, purchase order # 1001-502074. Attached is a detailed list of services performed. The work contracted for has been delivered and we would like to request that a payment of $24,400.00 be made to:

International Business Communications
1607 New Hampshire Avenue, N.W. Suite 300
Washington, D.C. 20009

Attention: Frank Gomez

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by K. Johnson, National Security Council

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[illegible] Communications

January 11, 1985

APPROVED FOR PAYMENT
8/8-XX
1/16/
DATE

TO: S/LPD - Jonathan S. Miller

FROM: Francis D. Gomez
International Business Communications

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under provisions of E.O. 12356
by K. Johnson, National Security Council

We hereby request the payment to International Business Communications, the sum of $24,400.00, which represents payment for September through December of the purchase order agreement with your office, No. 1001-502074.

The services and activities accomplished for S/LPD under this contract are as follows:

1. The arrangement and staffing of news conferences for S/LPD directed newsmakers.
2. Creation and implementation of media plans for S/LPD directed newsmakers.
3. Writing, editing and distribution plans of Op-Ed and news articles for S/LPD officials and S/LPD designated newsmakers.
4. Presentations of regional research and findings, before White House briefings and other S/LPD briefings. Distribution of some to scholars.
5. Writing, editing and assistance in distributing, official papers to national news organizations, scholars and commentators.
6. Survey trip to Central America and preparation of Central American conference concept paper.
7. Assistance in media relations for official delegations to the United States.
8. Development and distribution of information packages to news organizations on regional topics.
9. S/LPD directed assistance to private groups developing regionally important media and speaking efforts.
10. Served as liasion with groups active in promoting democracy through programs in Central America and the United States.

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SUMMARY: The above activities were carried out at the direction of S/LPD. All activities are performed by I.B.C. without

United States Department of State
Washington, D.C. 20520

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MEMORANDUM

TO: S/S-EX - Mr. George Twohie

FROM: S/LPD - Brent Blaschke

DATE: September 12, 1984

SUBJECT: Extension of Contract

Please find attached a copy of a proposed contract with International Business Communications. Instead of a new contract for I.B.C., we would like to amend contract no. 1001-402296 to extend its length to December 31,1984 (9/1-12/31). The total additional cost for the contract would amount to $24,600. This amount will be larger than contracts have normally been put in the case of this contract IBC will pick up the costs for items that this office has normally covered, such as travel expenses. This contract should be covered by existing funds in our FY84 budget.

Please see the attachment for a list of proposed job requirements for the vendor under the contract's amendment.

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United States Department of State
Washington, D.C. 20520

UNCLASSIFIED

January 16, 1985

MEMORANDUM

TO: OPR/STP Mr. Simon Canady

FROM: S/S-EX - Daniel E. Allen

SUBJECT: I.B.C. Inovice in the Amount of $24,400

Per our conversation of this morning I have advised S/LPD that the I.B.C. contract will be finalized today. As mentioned, I am attaching a copy of the IBC invoice in the amount of $24,400 and would greatly appreciate your sending it to Finance along with a copy of the contract and a request that it be paid as soon as possible.

Your usual superb cooperation in this matter is most appreciated.

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under provisions of E.O. 12356
by K. Johnson, National Security Council

~~UNCLASSIFIED~~

August 1, 1984

MEMORANDUM FOR: S/LPD - Mr. Matthew Freedman

FROM: Francis D. Gómez
International Business Communications

SUBJECT: Payment for Services for the period
September 1 through December 31, 1984

In accordance with recent conversations with Ambassador Otto J. Reich and other officials in the Office of Public Diplomacy for Central America, International Business Communications hereby requests the issuance of an agreement between our firm and S/LPD for the provision of personal services for the period September 1 through December 31, 1984. The nature and scope of the services to be provided and the method and amount of payment are outlined below.

~~Partially~~ Declassified/Released on 10FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

Services to be Provided

1) Press Conferences, Interviews

I.B.C. will plan, execute and follow up on press conferences and interviews for visitors from Central America to the United States as well as for Central Americans and other persons related to Central American issues who may reside in the United States. It is understood that said activities can be carried out in the most effective and credible manner when an outside, non-governmental organization such as I.B.C. is responsible for them. It is further understood that executing these programs requires not only substantive knowledge of the issues but also excellent relations with media experts primarily in Washington, D.C. but also in New York, Miami, Los Angeles, Chicago, San Francisco and other key cities of the United States. Furthermore, because many of the visitors do not speak English or do not speak it well, simultaneous interpretation skills are required.

On the basis of recent experience and program plans for the fall, it is fully anticipated that I.B.C. will manage intensive programs averaging three to five days each for an estimated 10 to 12 visitors or residents.

2) Northeast Outreach Program

I.B.C. will plan and execute three to four speaking tours to the northeast of the United States to include Boston, Hartford, Providence, New York and Philadelpha. The speakers to be programmed will be Central Americans either visiting or residing in the U.S. and their programs will include universities, editorial board meetings, civic groups and other organizations.

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It is understood that I.B.C. will strive to obtain local sponsorship for the largest possible number of program events in order to project an image of grass roots support and involvement with respect to the message being transmitted.

It is further understood that I.B.C. will cover the costs of incidental travel, telephone calls, taxi fares, preparation of documents and miscellaneous expenes required for the conduct of these programs. I.B.C., furthermore, will provide simultaneous interpretation where and when needed.

3) Analysis of Salvador Papers

I.B.C. will carry out a thorough analysis of a collection of documents captured in the conflict of El Salvador. This analysis will include but not be limited to the identification of support groups in the United States, the provision of funds to guerrilla organizations by support groups abroad, the organization and strength of the guerrilla groups, guerrilla tactics and related issues. Documents will be organized, identified, dated and translated to the degree necessary to make their contents understandable by the general public.

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INITIATING CONTRACTS

I. Office Director sends memorandum to S/S-EX requesting contract services. Memorandum must include the following:

A. Statement of Need. Fully explain why the services of a contractor are required.

B. Work Statement. This should state exactly what services the contractor must provide, the estimated duration of the contract, required project completion dates, and an estimate of the cost of the contract.

C. Security Certification. State whether the contractor will have access to classified material. If so, give highest level of classification. If contractor will not have access to classified material, so certify.

D. Name of Contracting Officer's Technical Representative, COTR. (The person in the requesting office who will monitor the contract and certify to receipt of services.)

E. Inspection and Acceptance Requirements. Include any information on special inspection and acceptance requirements relating to the delivery of services or supplies.

F. Recommended Source(s).

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by K. Johnson, National Security Council

G. If the request is for a "sole source " contract, include a Sole Source Justification, fully explaining why a particular person or firm is the only one capable of performing the work satisfactorily.

II. Upon receipt of the above, S/S-EX will:

A. Determine whether funds are available.

B. Prepare Form DST-1089R (Requisition), enter fiscal data and forward form to OPR/STP along with the requesting office's memorandum, and a completed form DD-254 (Contract Security Classification Specification).

C. Request "Certification of Need" from PER.

D. Request security clearance from SY (if applicable)

III. OPR/STP will:

A. Make the determination as to whether contract should be awarded on a competitive or non-competitive basis.

B. Solicit proposal(s).

C. Negotiate prices, delivery, contract terms.

D. Upon receipt of all necessary clearances, award contract.

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INITIATING CONTRACTS

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B. Work Statement. This should state exactly what services the contractor must provide, the estimated duration of the contract, required project completion dates, and an estimate of the cost of the contract.

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Page 2

2. CONTRACT NUMBER	3. C.	4. OBJ	5. FSC	6. SHIPPING INSTRUCTIONS	7. ORDER NUMBER 1001-402296 -A
9. [illegible] NUMBER	11. [illegible]	12. REQ OFFICE	13. [illegible]	A1 SC	14. [illegible]

15. DESCRIPTION
CONTINUED

16. AMOUNT

17. APPROPRIATION	ALLOTMENT	OBLIG.	ORG.	FUNC.	OBJ.	S OBJ.

18. CONTRACTOR
TO: DUNS ID

ZIP

19. CONSIGNEE AND DESTINATION
SHIP TO

20. ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN	S.IO	SUPPLIES OR SERVICES	Delivery Date	U/I	NO. OF UNITS	UNIT PRICE	TOTAL

(F) TALKING POINTS AND SPEECHES: PREPARE TALKING POINTS AND WRITE SPEECHES ON CENTRAL AMERICAN TOPICS FOR USE BY DEPARTMENT'S OFFICIALS, OR THE CONTRACTOR, IN PUBLIC PROGRAMS, INTERVIEWS AND OTHER OCCASIONS. THE TALKING POINTS AND SPEECHES SHALL REFLECT CURRENT DEVELOPMENTS IN THE REGION AND IN U.S. POLICIES AND APPROACHES TO CENTRAL AMERICA. CONTRACTOR SHALL BE RESPONSIBLE FOR CAREFUL TAILORING OF REMARKS FOR THE DIFFERENT KINDS OF AUDIENCES TO BE ADDRESSED, AND HE SHALL OBTAIN THE NECESSARY STATE DEPARTMENT CLEARANCES.

REFERENCE: CONTRACTOR'S PROPOSAL MEMORANDUM DATED 6/4/84.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

ORIGINAL TOTAL : $ 9,500.00
THIS INCREASE : 9,800.00
NEW ORDER TOTAL : $19,300.00

CONSIGNEE AND DESTINATION
DEPARTMENT OF STATE, S/LPD
OFFICE OF LATIN AMERICA PUBLIC DIPLOMACY
ROOM 6253, NEW STATE BUILDING
2201 "C" STREET, N.W.
WASHINGTON, D.C. 20520
ATTN: MR. JOHNATHAN S. MILLER

(FILE NO. 1108)

[redacted]y Declassified/Released on 10FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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TOTAL DOLLAR AMCUNT FOR THIS ACTION $9800.00

21. FOB POINT/FAS POINT	22. DISCOUNT	23. ISSUER'S NAME	24. ISSUER'S PHONE
DESTINATION	NET 30 DAYS	SIMON CANADY	703-235-1735

BILLING INSTRUCTIONS

[illegible]

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AWARD/CONTRACT

1. CERTIFIED FOR NATIONAL DEFENSE UNDER BDSA REG. 2 AND/OR DMS REG. 1 ▶ RATING PAGE OF PAGES 1

2. CONTRACT (Proc. Inst. Ident.) NO. 1001-502160

3. EFFECTIVE DATE March 1, 1985

4. REQUISITION/PURCHASE REQUEST/PROJECT NO.

5. ISSUED BY CODE

Department of State
Contracts Branch
P.O. Box 9244, Rosslyn Station
Arlington, VA 22209

6. ADMINISTERED BY (If other than Item 5) CODE

DUPLICATE

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code)

International Business Communications
Suite 300
1007 New Hampshire Avenue, N.W.
Washington, D.C. 20009

DUNS # 99 191 6230

5510

CODE FACILITY CODE

8. DELIVERY ☐ FOB ORIGIN ☒ OTHER (See

9. DISCOUNT FOR PROMPT PAYMENT

10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN ▶ ITEM 12

11. SHIP TO/MARK FOR CODE

Frank Gardner
S/LPD
Washington, D.C. 20520

12. PAYMENT WILL BE MADE BY CODE

Department of State
Financial Services
P.O. Box 9487, Rosslyn Station
Arlington, VA 22209

13. THIS ACQUISITION WAS. (Check appl. box(es))
A. ADVERTISED
B. NEGOTIATED PURSUANT TO ☐ 10 USC 2304(a)( ) ☒ 41 USC 252(c)(2)

14. ACCOUNTING AND APPROPRIATION DATA

1950113 1001 502160 010122 2589 $90,

15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
	Media Consultant Services	1	LT		

[redacted] Declassified/Released on 10 FEB 88
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by K. Johnson, National Security Council

15G. TOTAL AMOUNT OF CONTRACT ▶ $90,000.0

16. TABLE OF CONTENTS

(✓)	SEC.	DESCRIPTION	PAGE(S)	(✓)	SEC.	DESCRIPTION	PAGE(S)
		PART I – THE SCHEDULE				PART II – CONTRACT CLAUSES	
X	A	SOLICITATION/CONTRACT FORM	1 of 14	X	I	CONTRACT CLAUSES	10-1
X	B	SUPPLIES OR SERVICES AND PRICES/COSTS	2 of 14			PART III – LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.	
X	C	DESCRIPTION/SPECS./WORK STATEMENT	3-4 "	X	J	LIST OF ATTACHMENTS	
X	D	PACKAGING AND MARKING	5 of 14			PART IV – REPRESENTATIONS AND INSTRUCTIONS	
X	E	INSPECTION AND ACCEPTANCE	6 "	X	K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	15 -
X	F	DELIVERIES OR PERFORMANCE	7 "		L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
X	G	CONTRACT ADMINISTRATION DATA	9 "		M	EVALUATION FACTORS FOR AWARD	
X	H	SPECIAL CONTRACT REQUIREMENTS	9 "				

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. ☒ CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 2 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such [illegible] tions, certifications, and specifications, as are attached [illegible] reference herein. (Attachments are listed herein.)

18. ☐ AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number [illegible] including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's [illegible] and (b) this award/contract. No further contractual document is necessary.

[illegible]

FUNDS AVAILABLE
A. P[illegible]
27 MAR 1985

19A. NAME AND TITLE OF SIGNER (Type or print)

RICHARD R. MILLER, PRESIDENT

19B. NAME OF CONTRACTOR

BY Richard R. Miller
(Signature of person authorized to sign)

19C. DATE SIGNED 3/29/85

20A. NAME OF CONTRACTING OFFICER

Barbara A. Garland

20B. UNITED STATES OF AMERICA

BY Barbara A. Garland
(Signature of Contracting Officer)

20C. DATE SIGNED 4/1/85

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1001-502160

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

The Contractor shall provide the services enumerated in Section C of this Contract. In performance, he shall provide all labor of appropriate categories, research, translation, materials, distribution, event coordination, travel for corporate personnel, and for foreign dignitaries as required under the statement of work. In consideration of the above, the firm fixed price of the Contract shall be $90.000.

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1001-502160 UNCLASSIFIED

SECTION C

DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

The Contractor shall focus its efforts on the following projects during the contractual period, as directed by S/LPD:

1. Provide assistance for Washington and United States visits of Central American political, business, and humanitarian organization representatives.

2. Provide assistance and direction to Central American refugee and exiles in Washington, arranging media events, interviews, and public appearances.

3. Translation and distribution of Central American articles for distribution to United States news organizations and public interest groups.

4. Provide point of contact for congressional and public interest offices seeking to interview exiles and refugees.

5. Seek out and establish media and public speaking opportunities for Nicaraguan exiles and refugees.

6. Brief correspondents and syndicated columnists on materials and sources. Where necessary, provide on-the-ground, in-country logistical support.

7. Compose and edit letters to the editor of major newspapers and magazines in response to articles on Central America.

8. Provide S/LPD with op-ed articles and feature articles for distribution, either under an S/LPD signature or by an I.B.C. designated person.

[illegible] 276 k contract

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DESCRIPTION/SPECIFICATIONS/WORK STATEMENT (Continued)

9. Travel to and coordinate media visits to refugee camps in the region.

10. Provide source materials for journalists who contact S/LPD for information relating to the regional conflicts.

11. Develop and present briefings to individuals designated by S/LPD on security considerations, refugee problems, and political dynamics of the region.

12. Provide briefing books on subjects designated as timely by S/LPD.

13. Edit briefing materials created by S/LPD.

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1001-502160

SECTION D

PACKAGING AND MARKING

Reserved

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SECTION E

INSPECTION AND ACCEPTANCE

52.252-02 CLAUSES INCORPORATED BY REFERENCE (APR 1984)

This contract incorporates the following clauses by reference with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1) Clauses dated APR 1984

52.252-04 Inspection of Services - Fixed Price (APR 1984)

UNCLASSIFIED

1001-502160

SECTION F

DELIVERIES OR PERFORMANCE

The term of this contract is March 1, 1985 through September 30, 1985.

52.252-02 CLAUSES INCORPORATED BY REFERENCE (APR 1984)

> This contract incorporates the following clauses by reference with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1) Clauses dated APR 1984

52.212-13 Stop Work Order (APR 1984)

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1001-332160

SECTION G

CONTRACT ADMINISTRATION DATA

CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) (APR 1984)

The Contracting Officer has appointed Frank Gardner, DOS/S/LPD, 632-6751, to act as the COTR for technical liaison, inspection, testing, and such other purposes as are deemed necessary for any contract awarded under this solicitation. The COTR shall be appointed in writing by the Contracting Officer.

The COTR will be designated the authority to act for the Contracting Officer in matters concerning technical clarification, inspection and, after concurrence by the Contracting Officer, acceptance of Contractor's performance under the contract, including preparation of receiving reports, and the authorization of progress payments when appropriate. The COTR will coordinate all work with the Contractor and review Contractor's performance at significant stages of its development.

In no instance, however, shall the COTR be authorized to alter, modify the specifications or the contract terms and conditions or waive the Government's requirement, price, delivery, or other terms and conditions. Such changes must be authorized, in writing, by the Contracting Officer.

UNCLASSIFIED

1001-502160

SECTION H

SPECIAL CONTRACT REQUIREMENTS

52.217-09 Option to Extend the Terms of the Contract Services (APR 1984)

(a) The Government may extend the term of this contract by written notice to the Contractor with ten (10) days prior to expiration of the Contract.

(b) If the Government exercises this option, the extended Contract shall be considered to include this option provision.

(c) The total duration of this Contract, including the exercise of any options under this clause shall not exceed 2 years.

The Contractor shall submit monthly invoices of $12,857.00 for six month is and $12,858.00 for the seventh month. All invoices shall be submitted to the COTR stated in Section G of this Contract.

SAFEGUARDING OF INFORMATION (APR 1984)

The Contractor and its employees shall exercise the utmost discretion in regard to all matters relating to their duties and functions. They shall not communicate to any person any information known to them by reason of their performance of services under this contract which has not been made public, except in the course of their duties or by written authorization of the Contracting Officer. All documents and records (including photographs) generated during the performance of work under this contract shall be for the sole use of and become exclusive property of the U.S. Government. Further, no article, book pamphlet, recording, broadcast, speech, television appearance, film, or photographs concerning any aspect of work performed under this contract shall be published or disseminated through any media without the prior written authorization of the Contracting Officer. These obligations do not cease upon the termination of this contract. The Contractor shall include the substance of this provision in all contracts of employment and in all subcontracts hereunder.

UNCLASSIFIED

SECTION I

CONTRACT CLAUSES

52.252-02 CLAUSES INCORPORATED BY REFERENCE (APR 1984) - This Contract incorporates the following clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES:

52.202-01	Definitions (APR 1984)
52.203-05	Covenant Against Contingent Fees (APR 1984)
52.203-01	Officials Not to Benefit (APR 1984)
52.203-03	Gratuities (APR 1984)
52.215-01	Examination of Records by Comptroller General (APR 1984)
52.215-02	Audit Negotiation (APR 1984)
52.219-08	Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (APR 1984)
52.219-13	Utilization of Women-Owned Small Businesses (APR 1984)
52.220-03	Utilization of Labor Surplus Area Concerns (APR 1984)
52.222-01	Notice to the Government of Labor Disputes (APR 1984)
52.222-03	Convict Labor (APR 1984)
52.222-26	Equal Opportunity (APR 1984)
52.222-35	Affirmative Action for Special Disabled and Vietnam Era Veterans (APR 1984)
52.222-36	Affirmative Action for Handicapped Workers (APR 1984)

UNCLASSIFIED

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES (Continued):

52.232-01	Payments (APR 1984)
52.232-08	Discounts for Prompt Payment (APR 1984)
52.232-11	Extras (APR 1984)
52.232-17	Interest (APR 1984)
52.232-23	Assignment of Claims (APR 1984)
52.233-01	Disputes (APR 1984)
52.243-01	Changes - Fixed Price - Alternate II (APR 1984)
52.246-25	Limitation of Liability - Services(APR 1984)
52-249-04	Termination for the Convenience of the Government (Services) (Short Form) (APR 1984)
52.249.08	Default (Fixed-Price Supply and Service) (APR 1984)

PROMPT PAYMENT ACT (APR 1984)

Interest on Overdue Payments

(a) The prompt Payment Act, Public Law 97-177 (96 Stat. 85, 31 USC 1801) is applicable to payments under this contract and requires the payment to contractors of interest on overdue payments and improperly taken discounts.

(b) Determinations of interest due will be made in accordance with the provisions of the Prompt Payment Act and Office of Management and Budget Circular A-125.

(c) Interest shall be calculated from the day after the payment due date through the payment date. Interest penalties remaining unpaid for any 30 day period will be added to the principal, and interest penalties, thereafter, will accrue monthly on the total of principal and previously accrued interest. Interest penalties will not continue to accrue after filing of a claim under the Contract Disputes Act of 1978, or for more than one year. Interest penalties will not be applicable with respect to progress payments or advance payments.

UNCLASSIFIED

1001-502163

PROMPT PAYMENT ACT (APR 1984) (Continued):

Invoice Requirements

Invoices shall be submitted to the Government office designated in this contract to receive invoices. A proper invoice must include the following information:

1. Name and address of the contractor
2. Date of Invoice
3. Contract Number
4. Description of the items
5. Quantities of items delivered (if applicable)
6. Unit price, if any, and total price to be paid
7. Shipping and payment terms, and such other substantiating documentation or information as required by the Contract.
8. Name (where practicable), title, telephone number, and complete mailing address of the responsible official to whom payment is to be sent.

If an invoice does not contain the above information, the Department reserves the right to reject the invoice as IMPROPER and return it to the vendor within 15 calendar days. (Resubmission of a PROPER invoice will be required.)

METHOD OF PAYMENT (APR 1984)

(a) Payments under this contract will be made either by check or by wire transfer through the Treasury Financial Communications System, at the option of the Government.

(b) The Contractor shall forward the following information in writing to the address shown in Block 25 on page 1 of SF 33 or Block 12 of SF 26 not later than 7 days after receipt of notice of award in accordance with OMB Payment Information form.

UNCLASSIFIED

METHOD OF PAYMENT (APR 1984) (Continued)

(1) Full name (where practicable), title, phone number, and complete mailing address of responsible official(s), (i) to whom check payments are to be sent and (ii) whom may be contacted concerning the bank account information requested below.

(2) The following bank account information required to accomplish wire transfers:

(i) Name, address, and telegraphic abbreviation of the receiving financial institution.

(ii) Receiving financial institution's 9-digit American Bankers Association (ABA) identifying number for routing transfer of funds. (Provide this number only if the receiving financial institution has a access to the Federal Reserve Communications System).

(ii) Recipient's name and account number at the receiving financial institution to be credited with the funds.

(iv) If the receiving financial institution does not have access to the Federal Reserve Communications System, provide the name of the correspondent financial institution through which the receiving financial institution receives electronic funds transer messages. If a correspondent financial institution is specified, also provide:

(A) Address and telegraphic abbreviation of the correspondent financial institution.

(B) The correspondent financial institutions 9-digit ABA identifying number for routing transfer of funds.

UNCLASSIFIED

METHOD OF PAYMENT (APR 1984) (Continued)

(c) Any changes to the information furnished under paragraph (b) of this clause, shall be furnished to the address applicable in paragraph (b) of this clause, in writing, at least 30 days before the effective date of the change. It is the contractor's responsibility to furnish these changes promptly to avoid payments to erroneous addresses or bank accounts.

(d) The document furnishing the information required in paragraphs (b) and (c) must be dated and contain the signature, title, and telephone number of the contractor official authorized to provde it a well as the contractor's name and contract number.

UNCLASSIFIED

SECTION J

LIST OF ATTACHMENTS

Reserved.

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1 of 85

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AWARD/CONTRACT

1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)

RATING

PAGE OF PAGES 1

2. CONTRACT (Proc. Inst. Ident.) NO.
1001-602066

3. EFFECTIVE DATE
10/1/85

4. REQUISITION/PURCHASE REQUEST/PROJECT NO.
1001-602066

5. ISSUED BY CODE
U.S. DEPARTMENT OF STATE
CONTRACTS BRANCH
P.O. BOX 9115, ROSSLYN STATION
ARLINGTON, VIRGINIA 22209

6. ADMINISTERED BY (If other than Item 5) CODE
ORIGINAL ~~SECRET~~

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code)
INTERNATIONAL BUSINESS COMMUNICATIONS, INC.
1912 Sunderland Place, N.W.
Washington, D.C. 20036-1608

5511

[redacted] Declassified/Released on 10FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

DUNS #991916230

8. DELIVERY
☐ FOB ORIGIN ☒ OTHER (See below)

9. DISCOUNT FOR PROMPT PAYMENT
NET

10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN ITEM
SEE ITEM

CODE FACILITY CODE

11. SHIP TO/MARK FOR CODE
U.S.Department of State,
ARA/LPD, Room 6253,NS,
Washington, D.C. 20520, ATTN: Robert W. Kagan

12. PAYMENT WILL BE MADE BY CODE
Financial Operations
Central Claims Division
P.O. Box 9487, Rosslyn Station
Arlington, Virginia 22209

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:
☐ 10 U.S.C. 2304(c)( ) ☒ 41 U.S.C. 253(c)(6)

14. ACCOUNTING AND APPROPRIATION DATA
1960113 1001 602066 010122 2589
OBLIGATED $276,186.00

15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
	THIS IS A COST-PLUS-FIXED-FEE CONTRACT FOR THE SERVICES SET FORTH IN SECTION C AND AT THE PRICES SHOWN IN SECTION B.	FUNDS AVAILABLE Sarah E. Wagner 5/28/86			NOT TO EXCEED

15G. TOTAL AMOUNT OF CONTRACT ▶ $ 276,.36.

16. TABLE OF CONTENTS

(✓)	SEC.	DESCRIPTION	PAGE(S)	(✓)	SEC.	DESCRIPTION	PAGE(S)
		PART I – THE SCHEDULE				PART II – CONTRACT CLAUSES	
X	A	SOLICITATION/CONTRACT FORM	A1	X	I	CONTRACT CLAUSES	I1-
X	B	SUPPLIES OR SERVICES AND PRICES/COSTS	B1			PART III – LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.	
X	C	DESCRIPTION/SPECS./WORK STATEMENT	C1-2	X	J	LIST OF ATTACHMENTS	J1-
X	D	PACKAGING AND MARKING	D1			PART IV – REPRESENTATIONS AND INSTRUCTIONS	
X	E	INSPECTION AND ACCEPTANCE	E1	X	K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	K1-17
X	F	DELIVERIES OR PERFORMANCE	F1-2				
X	G	CONTRACT ADMINISTRATION DATA	G1		L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
X	H	SPECIAL CONTRACT REQUIREMENTS	H1-3		M	EVALUATION FACTORS FOR AWARD	

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. ☒ CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 3 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)

18. ☐ AWARD (Contractor is not required to sign this document.) [illegible]

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19A. NAME AND TITLE OF SIGNER (Type or print)
RICHARD R. MILLER, PRESIDENT

19B. NAME OF CONTRACTOR
BY

19C. DATE SIGNED
9/2/86

20A. NAME OF CONTRACTING OFFICER
Barbara A. Garland
Contracting Officer

20B. UNITED STATES OF AMERICA
BY

20C. DATE SIGNED
SEP -2

UNCLASSIFIED

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

I. CONTRACT TYPE: This is a COST-PLUS-FIXED-FEE CONTRACT for the coordination of Latin American public diplomacy efforts and for the design and implementation of a distribution system directly related to those efforts. The services will be performed for the Department of State's Office of the Coordinator for Public Diplomacy for Latin America and the Caribbean (ARA/LPD)

II. SECURITY CLASSIFICATION. This contract and all references thereto are classified SECRET

III. LEVEL OF EFFORT/COST CEILING BUDGET

(A) Ceiling Price. The ceiling price is $276,186.00, which is comprised of $259,744.00 in estimated costs and $16,442.00 fixed fee. In no event shall the contractor exceed this estimate without prior written approval of the Contracting Officer.

(B) Rates. The contractor shall perform in accordance with the Statement of Work set forth in Section C within the following estimated budget:

Item	Costs
Direct Labor	$101,980.00
Other Direct Costs	$ 29,037.00
Overhead (89.48%)	$ 91,252.00
G&A (16.86%)	$ 37,475.00
TOTAL ESTIMATED COSTS	$259,744.00
Fixed Fee	$ 16,442.00
- TOTAL CEILING PRICE	$276,186.00

NOTE: This contract will not result in an employer/employee relationship.

III. PER DIEM AND TRAVEL EXPENSES. Per diem and travel expenses shall be in accordance with the Uniform Government Travel Regulations and are reimburseable under this contract

UNCLASSIFIED

[redacted]

DESCRIPTION/SPECIFICATIONS WORK STATEMENT

I. The Contractor shall provide the following in performance of this contract:

A. PUBLIC DIPLOMACY EFFORTS:

(1) Provide advice and assistance for programs for Central American representatives of civic, labor, business and humanitarian groups during visits to Washington and other locations within the United States.

(2) Provide contact with Central American refugee groups and exiles in Washington and elsewhere in the United States that will include arranging media events, interviews and public appearances.

(3) Translate articles on Latin America and the Caribbean and make them available for distribution to U.S. news organizations and public interest groups.

(4) Provide points of contact for public interest groups seeking to interview exiles, refugees, or other visitors.

(5) Coordinate and, as appropriate, accompany media visits to Central America.

(6) Provide source materials relating to the regional conflicts to persons designated by S/LPD.

(7) Provide and present, in writing and orally, factual material on security considerations, refugee problems and political dynamics of the region to individuals designated by S/LPD.

(8) Edit briefing and other materials for use by S/LPD.

(9) Conduct special studies and projects for use by S/LPD.

B. Distribution Services

(1) Design and organize a distribution system.

~~SECRET~~
DECL/OADR

UNCLASSIFIED

[redacted]

(2) Direct the operation of this distribution system, including:

  (a) Development of specialized, segmented addressee lists of persons and organizations which have solicited materials or information on Latin America and the Caribbean.

  (b) Computerization, coding, maintenance and updating of lists.

  (c) Retrieval, storage, mailing, and shipping of individual and bulk packets of publications

  (d) Maintenance and control of inventory and reserve stocks of materials.

  (e) Distribution of materials.

  (f) Coordinate with FAIM/PS publication production

  (g) Conduct systematic evaluations of the system.

II. CONTROL/MONITORING:

A. The Office of the Coordinator for Public Diplomacy for Latin America and the Caribbean (S/LPD) will control the number of franked envelopes provided to the Contractor and reserves the right to require, without notice, an inventory of stock usage and envelopes on hand at the Contractor's premises. All franked materials not used will be returned to S/LPD upon demand.

B. S/LPD shall perform spot checks on meetings and arrangements organized by the Contractor.

C. Media coverage, such as newspaper and periodical clippings and discussions with journalists and other members of organizations with whom the Contractor is expected to make arrangements, will be used as a means of monitoring the Contractor's performance.

D. Addressee lists will be seeded with names unknown to the Contractor and will serve as check names to ascertain performance of the distribution services.

UNCLASSIFIED

[redacted]
DECL/OADR

SECTION D

PACKAGING AND MARKING

(RESERVED)

SECTION E

INSPECTION AND ACCEPTANCE

I. INSPECTION AND ACCEPTANCE - DESTINATION (APR 1984)

Inspection and acceptance shall be accomplished by the Contracting Officer s Technical Representative at the Place(s) of Performance shown in Section F

II. FAR 52.252-2 - CLAUSES INCORPORATED BY REFERENCE (APR 1984

This contract incorporates the following clauses by reference with the same force and effect as if they were given in full text. Upon request, the Contracting officer will make their full text available

I. FEDERAL ACQUISITION REGULATION (48 CHAPTER 1) CLAUSES

52.246-3 - Inspection of Supplies--Cost-Reimbursement (APR 1984)
52.246-5 - Inspection of Services--Cost-Reimbursement (APR 1984)

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SECTION F

DELIVERIES OR PERFORMANCE

I. **PERIOD OF PERFORMANCE** The contractor shall perform for the period October 1, 1985, through September 30, 1986

II. **PLACE OF PERFORMANCE** The Contractor shall perform at either or both of the following locations.

(A) Government Facility.
U.S. Department of State
Office of the Coordinator for Public Diplomacy
for Latin America and the Caribbean
Room 5917, NS
21st Street and Virginia Avenue, N.W.
Washington, D.C. 20520

(B) Contractor's Facilities
(1) International Business Communications, Inc.
1912 Sunderland Place, N.W.
Washington, D.C. 20036 1639
and/or
(2) International Business Communications, Inc.
1523 New Hampshire Avenue, N.W.
Washington, D.C. 20036

III **DELIVERABLES**

A. Public Diplomacy Efforts. Timing for submission of translated articles and distribution thereof, preparation of factual materials, scheduling of media events, interviews and public appearances, editing of briefing and other materials, conduct of special studies and projects shall be set by the COTR. However, in most instances, timing shall be at the contractor's initiative based on urgency of world events and media involvement therein.

B. Distribution Services.

(1) The contractor shall design and organize a distribution system to be operational not later than December 15, 1985.

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(2) The contractor shall develop specialized segmented addressee lists of persons and organizations which have solicited materials or information on Latin America and the Caribbean not later than December 15, 1985. These lists shall be subject to additions and deletions, as the need arises, throughout the life of the project. All Lists shall be made available to the COTR at any time upon request.

IV. FAR 52.252-02 - CLAUSES INCORPORATED BY REFERENCE (APR 1984)

This contract incorporates the following clauses by reference with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

I. FEDERAL ACQUISITION REGULATION (48 CHAPTER 1) CLAUSES

52.212-13 - Stop Work Order (APR 1984)--Alternate I (APR 1984)

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SECTION G

CONTRACT ADMINISTRATION

I CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) (APR 1984)

The Contracting Officer has appointed Mr Robert W Kagan of the Department's Office of the Coordinator for Public Diplomacy for Latin America and the Caribbean (ARA/LPD), 202-647-7024 to act as the COTR for technical liaison, inspection, testing, and such other purposes as are deemed necessary for performance under this contract. The COTR has been appointed in writing by the Contracting Officer.

The COTR is designated the authority to act for the Contracting Officer in matters concerning technical clarification, inspection and, after concurrence by the Contracting Officer, acceptance of Contractor's performance under the contract, including preparation of receiving reports, and the authorization of progress payments when appropriate. The COTR will coordinate all work with the Contractor and review Contractor's performance at significant stages of its development.

In no instance, however, shall the COTR be authorized to alter, modify the specifications or the contract terms and conditions or waive the Government's requirement, price, delivery, or other terms and conditions. Such changes must be authorized, in writing, by the Contracting Officer.

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SECTION H

SPECIAL CONTRACT REQUIREMENTS

I. **SECURITY CLEARANCE**. The contractor shall have a SECRET ✓ security clearance.

II. **KEY PERSONNEL**.

The personnel specified in Attachment 3 to Section J of this contract are considered to be essential to the work being performed hereunder. Prior to diverting any of the specified individuals to other programs, the Contractor shall notify the Contracting Officer reasonably in advance and shall submit justification (including the names and titles of proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No diversion shall be made by the Contractor without the written consent of the Contracting Officer. The attachment to the contract may be amended from time to time during the course of the contract to either add or delete personnel, as appropriate.

III. **TRAVEL**.

The contractor shall travel to any and all overseas locations upon the designation of the COTR. Per diem and travel expenses shall be paid in accordance with Paragraph III of Section B.

IV. **SAFEGUARDING OF INFORMATION**

The Contractor and its employees shall exercise the utmost discretion in regard to all matters relating to their duties and functions. They shall not communicate to any person any information known to them by reason of their performance of services under this contract which has not been made public except in the course of their duties or by written authorization of the Contracting Officer. Further, no article, book, pamphlet, recording, broadcast, speech, television appearance, film, or photographs concerning any aspect of the contract shall be published or disseminated through any media without the prior written authorization of the Contracting Officer. These obligations do not cease upon termination of this contract. The contractor shall include the substance of this provision in all contracts of employment and in all subcontracts hereunder.

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V **OVERTIME**:

Overtime beyond the core hours set by the COTR and performance on Saturdays, Sundays, and Federal holidays, shall be scheduled and authorized in advance by the COTR. Payment will be in accordance with FAR Clause 52 222-4, Contract Work Hours and Safety Standards Act--Overtime Compensation (MAR 1986)

VI. **INSURANCE**: In order to fulfill the requirements of FAR Clauses 52 228-7, Insurance--Liability to Third Persons

(a) The Contractor shall procure and thereafter maintain for the duration of the contract insurance in the following amounts and shall furnish the Contracting Officer written evidence thereof:

(1) Workers compensation and employer's liability. Contractors are required to comply with applicable Federal and State workers compensation and occupational disease statutes. If occupational diseases are not compensable under those statutes, they shall be covered under the employer's liability section of the insurance policy, except when contract operations are so commingled with a contractor's commercial operations that it would not be practical to require this coverage. Employer's liability coverage of at least $100,000 shall be required, except in States with exclusive or monopolistic funds that do not permit workers compensation to be written by private carriers.

(2) Comprehensive General Liability Insurance

(a) Bodily injury liability insurance coverage written on the comprehensive form of policy of at least $500,000 per occurrence

(b) Property damage liability insurance only in special circumstances

(3) Comprehensive Automobile Liability Insurance including non-owned and hired automobiles, used in connection with performing this contract

(a) Bodily injury in the amount of $200,000 for each person and $500,000 for each occurrence other than passenger liability

(b) Property damage in the amount of $200,000 for each occurrence

(c) Passenger liability bodily injury in the amount of $200,000 multiplied by the number of seats or passengers, whichever is greater

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(b) The Contractor shall give the Contracting Officer or his representative immediate notice in writing of any suit or action filed against the Contractor arising out of the performance of this contract. The Contractor shall furnish immediately to the Contracting Officer copies of all pertinent papers received by the Contractor. Insofar as the following shall not conflict with any policy or contract of insurance, and upon request of the Contracting Officer, the Contractor shall do any and all things to effect an assignment and subrogation in favor of the Government of all Contractor's rights and claims except against the Government, arising from or growing out of such asserted claims, and if required by the Contracting Officer, shall authorize representative of the Government to settle and/or defend any such claim and to take charge of any such litigation affecting the Contractor

(c) The Contractor shall indemnify and save harmless the Government from and against all losses and all claims, demands payments, suits, and actions, recoveries, and judgments of every nature and description brought or recovered against the Government or the Contractor by reason of any act or omission of the Contractor, its agents, or employees, in the execution or protection of the work. The Contractor's assumption of liability continues independent of the insurance policies.

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SECTION I

CONTRACT CLAUSES

I. FAR 52.252-2 - CLAUSES INCORPORATED BY REFERENCE (APR 1984)

This contract incorporates the following clauses by reference. with the same force and effect as if they were given in full text. Upon request, the Contracting officer will make their full text available.

I. FEDEERAL ACQUISITION REGULATION (48 CHAPTER 1) CLAUSES

52.202-1 - Definitions (APR 1984)
52.203-1 - Officials Not to Benefit (APR 1984)
52.203-3 - Gratuities (APR 1984)
52.203-5 - Covenant Against Contingent Fees (APR 1984)
52.204-2 - Security Requirements (APR 1984)
52.215-1 - Examination of Records by Comptroller General (APR
1984)
52.215-2 - Audit--Negotiation (APR 1984)
52.215-22 - Price Reduction for Defective Cost or Pricing Data
(APR 1984)
52.215-23 - Price Reduction for Defective Cost or Pricing
Data--Modifications (APR 1985)
52.215-24 - Subcontractor Cost or Pricing Data (APR 1985)
52.215-25 - Subcontractor Cost or Pricing Data--Modifications
(APR 1985)
52.216-7 - Allowable Cost and Payment (APR 1984)
52.216-8 - Fixed Fee (APR 1984)
52.219-8 - Utilization of Small Business Concerns and Small
Disadvantaged Business Concerns (JUN 1985)
52.219-13 - Utilization of Women-Owned Small Businesses (APR
1984)
52.220-3 - Utilization of Labor Surplus Area Concerns (APR
1984)
52.222-4 - Contract Work Hours and Safety Standards Act--
Overtime Compensation (MAR 1986)
52.222-3 - Convict Labor (APR 1984)
52.222-26 - Equal Opportunity (APR 1984)
52.222-29 - Notification of Visa Denial (APR 1984)
52.222-35 - Affirmative Action for Special Disabled and Vietnam-
Era Veterans (APR 1984)
52.222-36 - Affirmative Action for Handicapped Workers (APR
1984)
52.223-2 - Clean Air and Water (APR 1984)
52.228-7 - Insurance--Liability to Third Persons (APR 1984)
52.232-17 - Interest (APR 1984)
52.232-20 - Limitation of Cost (APR 1984)
52.232-23 - Assignment of Claims (JAN 1986)--Alternate I (APR
1984)
52.233-1 - Disputes (APR 1984)--Alternate I (APR 1984)
52.233-3 - Protest After Award (JUN 1985)--Alternate I (JUN
1985)
52.215-33 - Order of Precedence (JAN 1986)

52.242-1 - Notice of Intent to Disallow Costs (APR 1984)
52.243-2 - Changes--Cost-Reimbursement (APR 1984)--Alternate II (APR 1984)
52.244-2 - Subcontracts (Cost-Reimbursement and Letter Contracts) (JUL 1985)
52.244-5 - Competition in Subcontracting (JUL 1985)
52.245-5 - Government Property (Cost-Reimbursement, Time-and-Material, or Labor-Hour Contract) (JAN 1986)--Alternate I (JUL 1985)
52.246-25 - Limitation of Liability--Services (APR 1984)
52.247-63 - Preference for U.S.-Flag Air Carriers (APR 1984)
52.249-6 - Termination (Cost-Reimbursement) (APR 1984)
52.249-14 - Excusable Delays (APR 1984)

II. GOVERNMENT FURNISHED MATERIAL (GFM) (APR 1984)

The Government shall make the following items available to the Contractor as GFM for performance under the contract: Franked envelopes, boxes and packing materials, telephone, limited office space with desks and chairs.

III. PAYMENT DUE DATE - (SERVICES) (APR 1984)

(a) Payments under this contract will be due on the 30th calendar day after either: (1) The date of receipt of a proper invoice in the designated payment office, or (2) The date the services are accepted by the Government, whichever is later.

(b) If formal acceptance is not made prior to the payment due date, for the purpose of determining the payment due date, and for no other purpose, acceptance will be deemed to occur on the 15th calendar day after the date the services are rendered in accordance with the terms of the contract. In such instances, payment will not constitute acceptance.

(c) The date of the check issued in payment shall be considered to be the date when payment is made.

(d) The designated Government payment office for this contract is shown in Block 12, Page 1, Standard Form 26 or Block 25, Page 1, Standard Form 33.

IV. PROMPT PAYMENT ACT (APR 1984)

Interest on Overdue Payments

(a) The prompt Payment Act, Public Law 97-177 (96 Stat. 85, 31 USC 1801) is applicable to payments under this contract and requires the payment to contractors of interest on overdue payments and improperly taken discounts.

UNCLASSIFIED

(b) - Determinations of interest due will be made in accordance with the provisions of the Prompt Payment Act and Office of Management and Budget Circular A-125

(c) Interest shall be calculated from the day after the payment due date through the payment date. Interest penalties remaining unpaid for any 30 day period will be added to the principal, and interest penalties, thereafter, will accrue monthly on the total of principal and previously accrued interest. Interest penalties will not continue to accrue after filing of a claim under the Contract Disputes Act of 1978, or for more than one year. Interest penalties will not be applicable with respect to progress payments or advance payments.

Invoice Requirements

Invoices shall be submitted to the Government office designated in this contract to receive invoices. A proper invoice must include the following information:

1. Name and address of the contractor
2. Date of Invoice
3. Contract Number
4. Description of the items
5. Quantities of items delivered (if applicable)
6. Unit price, if any, and total price to be paid
7. Shipping and payment terms, and such other substantiating documentation or information as required by the Contract
8. Name (where practicable), title, telephone number and complete mailing address of the responsible official to whom payment is to be sent.

If an invoice does not contain the above information, the Department reserves the right to reject the invoice as IMPROPER and return it to the vendor within 15 calendar days. (Resubmission of a PROPER invoice will be required.)

V. METHOD OF PAYMENT (APR 1984)

(a) Payments under this contract will be made either by check or by wire transfer through the Treasury Financial Communications System, at the option of the Government.

(b) The Contractor shall forward the following information in writing to the address shown in Block 25 on page 1 of SF 33 or Block 12 of SF 26 not later than 7 days after receipt of notice of award in accordance with OMB Payment Information form.

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(1) Full name (where practicable), title, phone number, and complete mailing address of responsible official(s), (i) to whom check payments are to be sent and (ii) whom may be contacted concerning the bank account information requested below.

(2) The following bank account information required to accomplish wire transfers:

(i) Name, address, and telegraphic abbreviation of the receiving financial institution.

(ii) Receiving financial institution's 9-digit American Bankers Association (ABA) identifying number for routing transfer of funds. (Provide this number only if the receiving financial institution has a access to the Federal Reserve Communications System).

(iii) Recipient's name and account number at the receiving financial institution to be credited with the funds.

(iv) If the receiving financial institution does not have access to the Federal Reserve Communications System, provide the name of the correspondent financial institution through which the receiving financial institution receives electronic funds transer messages. If a correspondent financial institution is specified, also provide:

(A) Address and telegraphic abbreviation of the correspondent financial institution.

(B) The correspondent financial institutions' 9-digit ABA identifying number for routing transfer of funds.

(c) Any changes to the information furnished under paragraph (b) of this clause, shall be furnished to the address applicable in paragraph (b) of this clause, in writing at least 30 days before the effective date of the change. It is the contractor's responsibility to furnish these changes promptly to avoid payments to erroneous addresses or bank accounts.

(d) The document furnishing the information required in paragraphs (b) and (c) must be dated and contain the signature, title, and telephone number of the contractor official authorized to provde it a well as the contractor's name and contract number.

SECTION J

LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

I. ATTACHMENT A: Defense Investigative Service Interim Secret. Limitations PAR 20 c. ISM Apply. Security Clearance.

II. ATTACHMENT B: List of contractor's key personnel (reference Paragraph II of Section H).

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DEFENSE INVESTIGATIVE SERVICE
CAPITAL REGION
HOFFMAN BLDG 1, RM [illegible]
2461 EISENHOWER AVE
ALEXANDRIA, VA 22331-1000

July 30, 1986

Reply to
Attn of: S1511(Ms. Bradsher/(202)325-9395/cnk)

SUBJECT: International Business Communications, 1912 Sunderland Place, NW, Washington, DC 20036

TO: United States Department of State
Attn: Kenneth E. Lopes, Chief
Procedural Security Division
Overseas Security Programs
Washington, DC 20520

1. In your letter, dated July 10, 1986, subject as above, you requested this office to process International Business Communications, 1912 Sunderland Place, NW, Washington, DC 20036, for a Department of Defense security clearance. The facility's Federal Supply Code is 1GD92.

2. The facility was granted a INTERIM SECRET, LIMITATIONS PAR 20 c, ISM APPLY, security clearance on July 30, 1986, but does not have the capability to safeguard classified material. Please refer to paragraph 7-102, DoD 5220.22-R, if a classified contract or purchase order is awarded.

Esther R Bradsher
FRED J. BEAUMONT
Chief, Facilities Division

Copy to: S13DC

'86 AUG 12 P3:01

Partially Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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SECTION J

ATTACHMENT 8

LIST OF CONTRACTOR'S KEY PERSONNEL

Richard Miller, Principal

Francis Gomez, Principal

Frances Jacobowitz, Administrator

Rafael E. Flores, Program Director

Anna Kreisler, Secretary

Robert Norris, Driver

Jacqueline Clemons, Account Executive

Jeffrey Keefer, Media Correspondent

Christina Guillen, Secretary/Administration

Kate McGinnis, Secretary/Administration

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PART IV

REPRESENTATIONS AND INSTRUCTONS

SECTION K - REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS OR QUOTERS

52.203-02 CERTIFICATE OF INDEPENDENT PRICE DETERMINATION (APR 1985)

a) The offeror certifies that-

1)The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered;

2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

b) Each signature on the offer is considered to be a certification by the signatory that the signatory-

1) Is the person in the offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraph (a)(1) through (a)(3) above; or

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2) i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparapaghs (a)(1) through (a)(3) above

.... [insert full name of person(s) in the offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the offeror's organization];

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraph (a)(1) through (a)(3) above.

c) If the offeror deletes of modifies subparagraph (a)(2) above, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

52.203-04 CONTINGENT FEE REPRESENTATION AND AGREEMENT (APR 1984)

a) Representation. The offeror represents that, except for full-time bona fide employees working solely for the offeror, the offeror - Note: The offeror must check the appropriate boxes. For interpretation of the representation, including the term "bona fide employee," see Subpart 3.4 of the Federal Acquisition Regulation.)

1) ___has, _✓_has not employed or retained any person or company to solicit or obtain this contract; and

2) has, has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract

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b) Agreement. The offeror agrees to provide information relating to the above Representation as requested by the Contracting Officer and, when subparagraph (a)(1) or (a)(2) is answered affirmatively, to promptly submit to the Contracting Officer-

(1) A completed Standard Form 119, Statement of Contingent or other Fees, (SF 119);or
(2) A signed statement indicating that the SF 119 was previously submitted to the same contracting office, including the date and applicable solicitation or contract number, and representing that the prior SF 119 applies to this offer or quotation.

52.214-02 TYPE OF BUSINESS ORGANIZATION--SEALED BIDDING (APR 1985)

The bidder, by checking the applicable box, represents that it operates as___a corporation incorporated under the laws of the State of________________________, ______and individual, [✓ a partnership], ______a nonprofit organization, or _______a joint venture.

52.214-08 PARENT COMPANY AND IDENTIFYING DATA (APR 1984)

a) A "Parent" company, for the purpose of this provision, is one that owns or controls the activities and basic business policies of the bidder. To own the bidding company means that the parent company must own more than 50% of the voting rights in that company. A company may control a bidder as a parent even though not meeting the requirement for such ownership if the parent company is able to formulate, determine, or veto basic policy decisions of the offeror through the use of dominant minority voting rights, use of proxy voting, or otherwise.

b) The bidder___is, [✓ is not] (check applicable space) owned or controlled by a parent company.

c) If the bidder checked "is" in paragraph (b) above, it shall provide the following information.

Name and Main Office Address of Parent Company (include Zip Code)	Parent Company's Employer's Identification Number

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d) If the bidder checked "is not" in paragraph (b) above, it shall insert its own Employer's Identification Number on the following line 52-1297.6968

52.214-14 PLACE OF PERFORMANCE--SEALED BIDDING (APR 1985)

(a) The bidder, in the performance of any contract resulting from resulting from this solicitation, _____ intends, ✓ does not intend (check applicable space) to use one or more plants or facilities located at a different address from the address of the offeror or quoter as indicated in this proposal or quotation.

b) If the offeror or quoter checks "intends" in paragraph (a) above, it shall insert in the spaces provided below the required information:

Place of Performance (Street Address, City, County, State, Zip Code)	Name and Address of Owner and Operator of the Plant or Facility if Other than Offeror or Quoter

52.215-11 AUTHORIZED NEGOTIATORS (APR 1984)

The offeror or quoter represents that the following persons are authorized to negotiate on its behalf with the Government in connection with this request for proposals or quotations:

Name	Title	Telephone Number

52.215-06 TYPE OF BUSINESS ORGANIZATION (APR 1984)

The offeror or quoter, by checking the applicable box, represents that it operates as ___ a corporation incorporated under the laws of the State of ____________, ______ and individual, ✓ a partnership, ______ a nonprofit organization, or ______ a joint venture.

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52.215-20 PLACE OF PERFORMANCE (APR 1984)

a) The offeror or quoter, in the performance of any contract resulting from this solicitation, _____ intends, [✓ does not intend] (check applicable space) to use one or more plants or facilities located at a different address from the address of the offeror or quoter as indicated in this proposal or quotation.

b) If the offeror or quoter checks "intends" in paragraph (a) above, it shall insert in the spaces provided below the required information:

Place of Performance (Street Address, City, County, State, Zip Code)	Name and Address of Owner and Operator of the Plant or Facility if Other than Offeror or Quoter

52.219-01 SMALL BUSINESS CONCERN REPRESENTATION (MAY 1986)

The offeror represents and certifies as part of its offer that it ____ is, [✓ is not] a small business concern and that ___ all, [✓ not all] end items to be furnished will be manufactured or produced by a small business concern in the United States, its territories or possessions, Puerto Rico, or the Trust Territory of the Pacific Islands. "Small business concern", as used in this provision means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the size standards in this solicitition.

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52.219-02 SMALL DISADVANTAGED BUSINESS CONCERN REPRESENTATION (APR 1984)

a) Representation.

The offeror represents that it __is ✓is not a small disadvantaged business concern.

b) Definition.

"Asian-Indian American", as used in this provision means a United States citizen those origins are in India, Pakistan, or Bangladesh.

"Asian-Pacific American", as used in this provision, means a United States citizen whose origins are in Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territory of the Pacific Islands, the Northern Mariana Islands, Laos, Cambodia, or Taiwan.

"Native American", as used in this provision, means American Indians, Eskimos, Aleuts, and native Hawaiians

"Small business concern", as used in this provision means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small buiness under the criteria and size standards in 13 CFR 121 s

"Small disadvantaged business concerns", as use in this provasion, means a small business concern that (1) is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business having at least 51 percent of its stock owned by one or more socially and economically disadvantaged individuals and (2) has its management and daily business controlled by one or more such individuals

c) Qualified Groups. The offeror shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Asian-Indian Americans and other individuals found to be qualified by the SBA under 13 CFR 124.1.

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52.219-03 WOMEN-OWNED SMALL BUSINESS RESPRESENTATION (APR 1984)

a) Representation. The offeror represents that it___ is, ✓ is not a women-owned small business concern.

b) Definitions.

"Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominate in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria and size standards in 13 CFR 121.

"Women-owned," as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.

52.222-19 WALSH-HEALEY PUBLIC CONTRACTS ACT REPRESENTATION (APR 1984)

The offeror represents as a part of this offer that the offeror is___or is not ✓ a regular dealer in, or is___or is not ✓ a manufacturer of, the supplies offered.

52.222-22 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (APR 1984)

The offeror represents that-

a) It___has, ✓ has not participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitations, the clause originally contained in Section 310 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114;

b) It___has, ✓ has not, filed all required compliance reports; and

c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

52.222-25 AFFIRMATIVE ACTION COMPLIANCE (APR 1984)

The offeror represents that (a) it___has developed and has on file, ✓ has not developed and does not have on file at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2) or (b) it ✓ has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

52.223-01. CLEAN AIR AND WATER CERTIFICATION (APR 1984)

The Offeror certifies that-

a) Any facility to be used in the performance of this proposed contract is _____, is not ✓ listed on the Environmental Protection Agency List of Violating Facilities;

b) The Offeror will immediately notify the Contracting Officer, before award, of the receipt of any communication from the Administrator or a designee of the Environmental Protection Agency, indicating that any facility that the Offeror proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and

c) The Offeror will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

52.225-01 BUY AMERICAN CERTIFICATE (APR 1984)

The offeror certifies that each end product, except those listed below, is a domestic end product (as defined in the clause entitled "Buy American Act-Supplies"), and that components of unknown origin are considered to have been mined, produced, or manufactured outside the United States.

Excluded End Products	Country of Origin
....	....
....	....
....	....

(list as necessary)

52.215-19 PERIOD FOR ACCEPTANCE OF OFFER (APR 1984)

In compliance with the solicitation, the offeror agrees, if this offer is accepted within ✓ days (60 calendar days unless a different period is inserted by the offeror) from the date specified in the solicitation for receipt of offerors, to furnish any or all items on which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the Schedule.

52.225-06 BALANCE OF PAYMENT PROGRAM CERTIFICATE (APR 1985)

A. The Offeror hereby certifies that each end product or services, except the end product or services listed below, is a domestic end product service (as defined in the clause entitled "Balance of Payment Program) and that components of unknown origins have been considered to have been mined, produced, or manufactured, outside the United States:

Excluded End Products or Services

List Item No.	Country of Origin

B. For evaluation purposes only, each offer of an end product other end product shall be increased by 50 percent. Any domestic product offer that exceeds such evaluated other end product shall be considered unreasonable in cost or inconsistent with the public interest.

52.230-02 COST ACCOUNTING STANDARDS NOTICES AND CERTIFICATION (NON-DEFENSE)(APR 1984)

Note: This notice does not apply to small businesses or foreign governments.

a) Any contract over $100.000 resulting from the solicitation shall be subject to Cost Accounting Standards (CAS) if it is awarded to a business unit that is currently performing a national defense CAS- covered contract or subcontract, except when-

1. The award is based on adequate price compensation
2. The price is set by law or regulation:
3. The price is based on established catalog or market prices of commercial items sold in substantial quantities to the general public: or
4. One of the exemptions in 4 CFR 331 30(b) applies (also see Federal Acquisition Regulations (FAR 30.301(b)).

b). Contracts not exempted from CAS shall be subject to full or modified coverage as follows:

1. If the business unit receiving the award is currently performing a national defense contract or subcontract subject to full CAS coverage (4 CFR 331), this contract will have full CAS coverage and will contain the clauses from the FAR entitled Cost Accounting Standards (52.230-3) and Administration of Cost Accounting Standards (52.230-4).

2. If the business unit receiving the award is currently performing a national defense contract or subcontract subject to modified CAS coverage (4 CFR 332), this contract will have modified coverage and will contain the clauses entitled Disclosure and Consistency of Cost Accounting Practices (52.230-5) and Administration of Cost Accounting Standards (52.230-4).

A. Certificate of CAS Applicability

The Offeror hereby certifies that-

The Offeror is not performing any CAS covered national defense contract or subcontract. The offeror further certifies that it will immediately notify the Contracting Officer in writing if it is awarded any national defense CAS covered contract or subcontract subsequent to the date of this certificate but before the date of the award of a contract resulting from this solicitation. (If this statement applies, no further certification is required.)

The Offeror is currently performing a negotiated national defense contract or subcontract that contains the Cost Accouting Standards Clause at FAR 52.230-3.

The Offeror is currently performing a negotiated national defense contract or subcontract that contains the Disclosure and Consitency of Cost Accouting Practices clause at FAR 52.230-5.

B. ADDITIONAL CERTIFICATION -CAS APPLICABLE OFFERORS

The offeror subject to Cost Accounting Standards further certifies that practices used in estimating costs in pricing this proposal are consistent with the practices disclosed in the Disclosure Statement where it has been submitted pursuant to CAS Board regulations (4 CFR 351).

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C. DATA REQUIRED - CAS COVERED OFFERORS

The offeror certifying that it is currently performing a national defense contract containing either CAS clause (see A above) is required to furnish this name, address (including agency or department component), and telephone number of the cognizant Contracting Officer administering the offeror's CAS covered contract.

Name of Contracting Officer ______________________________
Address: ______________________________
____
Telephone Number: ______________________________

52.225-8 BUY AMERICAN ACT--TRADE AGREEMENTS ACT--BALANCE OF PAYMENTS PROGRAM CERTIFICATE (MAY 1986)

(a) The offeror hereby certifies that each end product, except those listed in paragraph (b) of this provision is a domestic end product (as defined in the clause entitled "Buy American Act--Trade Agreements Act--Balance of Payments Program") and that components of unknown origin have been considered to have been mined, produced, or manufactured outside the United States, or a designated country or a Caribbean Basin country as defined in section 25.401 of the Federal Acquisition Regulation.

(b) Excluded End Products:

Line Item Number	Country of Origin
______________	______________
______________	______________
______________	______________

(List as necessary)

(c) Offers will be evaluated by giving certain preferences to domestic end products, and designated country end products and Carribbean Basin Country end products. In order to obtain these preferences in the evaluation of each excluded end product listed in paragraph (b) of this provision offerors must identify and certify below those excluded end products that are designated country end products or Caribbean Basin Country end products. Offerors must certify by inserting the applicable line item numbers in the following:

(1) The offeror certifies that the following supplies qualify as "designated country end products" as that term is defined in the clause entitled "Buy American Act--Trade Agreements Act--Balance of Payments Program":

____
(Insert line item numbers)

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(2) The offeror certifies that the following supplies qualify as "Caribbean Basin country end products' as that term is defined in the clause entitled "Buy American Act -- Trade Agreements Act -- Balance of Payments Program":

____

(Insert line item numbers)

(d) Offers will be evaluated in accordance with Part 25 of the Federal Acquisition Regulation.

52.222-21 CERTIFICATION OF NONSEGRATED FACILITIES (APR 1984)

a. "Segregated facilities," as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.

b. By the submission of this offer, the offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishmentys, and that it does not ant will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The offeror agrees that a breach of this certification is a violation of the Equal Opportunity clause in the contract.

c. The offeror further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will-

1. Obtain identical certifications from proposed subcontractors before the award of subcontracts under which the subcontractor will be subject to the Equal Opportunity clause;
2. Retain the certifications in the files; and
3. Forward the following notice to the proposed subcontractors (except if the proposed subcontractors have submitted identical certifications for specific time periods):

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NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted before the award of a subcontract under which the subcontractor will be subject to the Equal Opportunity Clause. The certification may be submitted either for each subcontract-or for all subcontracts during a period (i.e. quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001

52.223-04 RECOVERED MATERIAL CERTIFICATION (APR 1984)

The Offeror certifies by signing this offer, that recovered material, as defined in Section 23.402 of the Federal Acquisition Regulation, will be used as required by the applicable specifications.

52.214-16 MINIMUM BID ACCEPTANCE PERIOD (APR 1984)

(a) "Acceptance period", as used in this provision, means the number of calendar days available to the Government for awarding a contract from the date specified in this solicitation for receipt of bids

(b) This provision supersedes any language pertaining to the acceptance period that may appear elsewhere in this solicitation.

(c) The Government requires a minimum acceptance period of ... calendar days (the Contracting Officer shall insert that number of days).

(d) In the space provided immediately below, bidders may specify a longer acceptance period that the Government's minimum requirement.

The bidder allows the following acceptance period:
..........calendar days

(e) A bid allowing less than the Government's minimum acceptance period will be rejected.

(f) The bidder agrees to execute all that it has undertaken to do, in compliance with its bid, if that bid is accepted in writing within (1) the acceptance period stated in paragraph (c) above or (2) any longer acceptance period stated in paragraph (d) above.

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State Unique DATA UNIVERSAL NUMBERING SYSTEM (DUNS)
(APR 1984)

(a) The offeror shall insert the DUNS number applicable to the address entered in Block 7 of Standard Form 26 or Block 15A of Standard Form 33.

(b) If the offeror's principal place of performance is other than the location entered on Standard Form 26 or Standard Form 33, or if additional performance points are involved, the offeror is requested to furnish the DUNS number applicable to each performance point.

Location	DUNS Number

(c) If DUNS numbers have not been established for the addresses pertinent to paragraphs (a) and (b) of this clause, the Contracting Officer will arrange for the assignment of these numbers.

State Unique COUNTRY OF MANUFACTURER (APR 1984)

The product which the offeror proposes to furnish [ ] is [ ] is not, manufactured, mined, or grown in the United States. If the product is not manufactured, mined, or grown in the United States, the country of manufacturer is ___________.

TO BE COMPLETED BY OFFEROR

NAME ______________________________ DATE ______________

BY ______________________________ (Signature) ______________ (Title)

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APPLICABILITY

Applicability: The circumstances of each inidividual procurement determine the extent to which a particular Representation, Certification or Statement is required by the Federal Acquisition Regulation (FAR) - Code of Federal Regulation (CFP, Chapter 1, Title 48). However, accomplishment of all of the Representation, Certification or Statements shown on this form is advisable, including those that may not be required. The information and FAR references set forth below are provided to assist offerors in determining when accomplishment is required. Upon request, the Contracting Officer will make the full text of the FAR references available

Definitions: Invitations for Bids (IFB's) are solicitations under the procedure for sealed bidding. Requests for Proposals (RFP) are solicitations under the procedure for negotiation. Offers are responses to IFB's or RFP's that, if accepted, would bind the offeror to perform the resultant contract.

1. Type of Business Organization (APR 1984)
   Required for all solicitation
   (FAR 14.201-6(b)(2) and 15.407(c)(2)

2. Walsh Healey Public Contracts Act Representation (APR 1984)
   Required for all solicitation for supplies, unless
   exempt under FAR 22.604
   (FAR 22.610 (a))

3. Parent Company and Identifying Data (APR 1984)
   Required for all IFB's, except those for construction
   that does not exceed $10,000.00
   (FAR 14.201-6(d))

4. Place of Performance (APR 1984)
   Required for all solicitation, unless the Contracting
   Officer specifies the place of performance
   (FAR 14.201-6(h) and 15.407(h)

5. Contingent Fee Representation and agreement (APR 1984)
   Required for all solicitations, except IFB's for contract not exceeding $25,000.00
   (FAR 3.404(b), which includes other exceptions)

6. Authorized Negotiators (APR 1984)
   Required for all RFP's.
   (FAR 15.407(c)(7))

7. Certificate of Independent Price Determination (APR 1984)
   Required for all solicitations for firm fixed-price or fixed-price economic price adjustmenets contracts.
   (FAR 3.103-1, which includes certain exceptions)

8. Certification of Nonsegregated Facilities (APR 1984)
   (FAR 22.810 (a)(1))

9. Previous Contracts and compliance Reports (APR 1984)
   (FAR 22.810 (a)(2)

10. Affirmative Action Compliance (APR 1984)
    Required for all solicitations unless exempt under FAR 22.807 (FAR 22.810)

11. Small Business Concern Representation (APR 1984)
    (FAR 19.304(a)

12. Small Disadvantaged Business Concern Representation
    (APR 1984) FAR 19.304(b)

13. Women-Owned Small Business Representation (APR 1984)
    Required for all solicitations when the contract is to be performed inside of the U.S., its territories or possessions, Puerto Rico, the Trust Territories of the Pacific Islands, or the District of Columbia. (FAR 19.304)

14. Buy American Certificate (APR 1984)
    Required for all solicitation for supplies, or for services when supplies will also be furnished, for use within the U S., except when the Trade Agreements Act of 1979 applies.
    (FAR 25.109(a))

15. Balance of Payments Program Certificate (APR 1984)
    Required for all solicitations for supplies or services for use outside the U.S. except when the Trade Agreements Act of 1979 applies.
    (FAR 25.305(a))

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16. Buy American Act-Trade Agreements Act- Balance of Payments
Program Certificate (APR 1984)
Required for all solicitations for products that meet
the dollar threshold under FAR 25.403, and which are not
excepted by that regulation.
(FAR 25.407(a)(1))

17. Cost Accounting Standards Notices and Certifications
(Nondefense) (APR 1984)
Required for RFP's for contract exceeding $100,000.00
unless exempt under FAR 30.301
(FAR 30.303-1(b))

18. Clean Air and Water Certification (APR 1984)
Required for all solicitations when the resultant
contract (or orders placed thereunder annually) may
exceed $100,000.00, or when a facility has been the
subject of a pertinent conviction and listed by EPA,
unless exempt under FAR 23.104.
(FAR 23.105(a))

19. Recovered Material Certification (APR 1984)
Required for solicitations where the specifications
require the use of "recovered" materials.
(FAR 23.405)

20. Minimum Bid Acceptance Period (APR 1984)
Required for IFB's, except for construction, when the
Contracting Officer inserts a minimum bid acceptance
period in subparagraph (c) of the provision.
(FAR 14.201-6(j))

21. Period for Acceptance of Offer (APR 1984)
Required for all RFP's that are not issued on Standard
Form 33, except for construction, and except when the
Contracting Officer specifies a minimum acceptance
period, or when excepted under FAR 15.401.
(FAR 15.407(g)).

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United States Department of State

Washington, D.C. 20520

SEP - 2 1986

[redacted] Declassified/Released on 10FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

MEMORANDUM

TO: ARA/LPD - Mr. Robert W. Kagan

FROM: A/OPR/STP/P/CT - Barbara A. Garland
Contracting Officer

SUBJECT: Delegation of Contracting Officer's Technical Representative Responsibility and Authority

Pursuant to the authority granted to me as a Contracting Officer under the Federal Acquisition Regulation, you are hereby designated as the Contracting Officer's Technical R esentative (COTR) under Contract 1001-602066.

Under this delegation you are hereby authorized to: coordinate with the cooperating agency on all technical matters which may arise in the administration of this contract; give technical clarification as to the meaning of the specifications including inspection, testing and acceptance procedures; inspection of the contractor's progress to assure compliance with the cooperative agreement terms and conditions; to perform such functions as may be necessary to accept the products or services for the Government, including preparation of receiving reports, and to authorize progress payments, when appropriate. However, you are not authorized to alter or modify the contract; or to waive the Department's rights as to specifications, price, delivery, terms and conditions. All such changes must be authorized, in writing, by the Contracting Officer.

If questions arise which are not clearly answered in the ontract (including the specifications), or if disputes with the contractor occur, a written report to the Contracting Officer shall be prepared setting forth the problem being encountered.

The COTR must monitor the contractor's performance to insure that there are no deviations from contract requirements; and, in the event that deviations do occur, furnish prompt written notice of such deviations to the Contracting Officer and the contractor

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receiving reports must be executed promptly, and furnished to designated payment office within 5 working days after receipt the property or services. All receiving reports must include following information:

- -- Contract No. or other authorization number.
- -- Product or service description.
- -- Quantities received, if applicable.
- -- Date(s) property or services accepted.
- -- Signature, printed name, title, phone number, and mailing address of the receiving official.

Upon completion of the contractor's work, an inspection shall be performed by the COTR and any deviations from contract requirements, such as shortages or deficiencies, shall be brought to the attention of the Contracting Officer, in writing. If ther no deficiencies, then a statement of satisfactory performance is appropriate and the goods or services delivered should be accepted. After the contractor has completed performance under t contract the COTR must complete and forward to the Contracting Officer, a Department of State Form DS 1771, Contractor Evaluatic Statement (attached).

This Delegation of Authority is limited to the above referenced contract, is not subject to redelegation by you, and may be terminated at any time by written notice to you from the Contracting Officer.

Attachments:
As stated

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January 9, 1986

Memorandum For: Mr. Spitz Channell

From: Rich Miller, Frank Gomez

Subject: Freedom Program

As you know, Bruce Cameron, among others, has been chastised lately by the liberal lobby for "defecting" to the Reagan Administration on Central American matters. Cameron, until last summer, was the chief foreign policy lobbyist for Americans for Democratic Action, and one of the most effective critics of Administration policy. Like Bob Leiken of the Carnegie Endowment, however, he saw the truth, spoke it, and lost his job.

We know Bruce personally. But through a confidential source, we have learned that he is in dire need of a job. It has occurred to us, therefore, (and with some extra thinking by our source) that he could be extremely helpful in the Central America Freedom Program.

What we suggest is that the Program provide a grant of about $40,000 to PRODEMCA and that one condition for the grant be that they hire Cameron as their lobbyist. This amount would enable Cameron to work about six months at $5,000 per month plus $10,000 in expenses (phone, representation, taxi, etc.)

Cameron's background is in the Democratic party. Also, PRODEMCA was founded and is guided primarily by conservative Democrats. They played an important role in the victory last spring. Both PRODEMCA and Cameron would have easy entree into the opposition ranks on the hill and would be highly credible.

We urge you to consider this as a component of your program. We welcome the opportunity to discuss it further.

~~Partially Declassified~~/Released on 11 FEB 88
~~under provisions of E.O. 12356~~
by K. Johnson, National Security Council

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Miller Ex #32

9/15/87

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18 MAR [illegible]

Miller Depo EX 34
9/16/87

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18a

EFENSE INVESTIGATIVE SERVIC
CAPITAL REGION
HOFFMAN BLDG 1, RM [illegible]
2461 EISENHOWER AVE
ALEXANDRIA VA 22331-1000

Reply to
Attn of: S1511(Ms. Bradsher/(202)325-9395/tmk)

March 18, 1986

Mr. Nicholas G. Mariano, Acting Chief
Procedural Security Division
Overseas Security Programs
Department of State
Washington, DC 20520

'86 MAR 26 P1:20

Dear Mr. Mariano:

Reference is made to your letter of February 5, 1986 which requested that we process International Business Communications, (IBC), 1912 Sunderland Place, NW, Washington, DC 20036, for a SECRET facility clearance.

By a copy of our letter of February 18, 1986, to the facility, you were advised that action was initiated in accordance with your request. During the initial telephone survey, we were advised that IBC was a sole proprietorship and that Mr. Richard R. Miller held all officer positions.

On the 20th of February we were advised telephonically that IBC was a partnership and that the partners were not individuals, but were facilities; namely, Miller Communications, Inc., and Gomez International, Inc., both at the same address as IBC. In an effort to comply with your request, surveys were conducted at the two partnership facilities. Both entities were advised of documentation that must be provided before the individual facility partnerships can be processed for a clearance, and each entity was given a deadline for submission of such documentation. Neither entity has responded.

Therefore, we have this date discontinued the processing of all concerned facilities. If you have any questions please contact Esther Bradsher at 202-325-9395.

5513

Sincerely,

~~Partially Declassified~~/Released on 11FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

LEO J. BEAUMONT
Chief, Facilities Division

Copy to:
International
Business
Communications

Miller
Communications,
Inc.

Gomez
International,
Inc.

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156

April 17, 1986

'86 APR 21 A10:39

Defense Investigative Service
Defense Industrial Security Program
Capitol Region
2461 Eisenhower Avenue Room 748
Alexandria, Virginia 22331

Dear Sir:

Request that the firm of International Business Communications; 1912 Sunderland Place N.W.; Washington, D.C. 20036, phone (202) 659-8180, be cleared for a Facility Clearance of SECRET. A storage capability will not be required. This request is in accordance with Department of State contract number 1001-602066.

The point of contact should be Mr. Frank Gomez at the above address and telephone number. This request is to continue the facility clearance process initiated by the letter of February 5, 1986, as the facility has submitted the required documentation to you.

Sincerely,

~~Partially Declassified~~/Released on 11FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

Kenneth E. Lopez, Chief
Procedural Security Division
Overseas Security Programs

1 cc - ARA/LPD - JDBlacken
1 cc - OPR/STS/R/CT - LBerryhill
1 cc - Chron

DS/PRD/PLB:AMPernick
Doc. ID 0005

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/ 18 c

DEFENSE INVESTIGATIVE SERVICE
CAPITAL REGION
HOFFMAN BLDG 1 RM [illegible]
2461 EISENHOWER AVE
ALEXANDRIA, VA 22331-1000

Reply to
Attn of: S1511 (Mr. Beaumont(202)325-9395/rms)

May 6, 1986

U.S. Department of State
Attn: Kenneth E. Lopez, Chief
Procedural Security Division
Washington, DC 20520

'86 MAY 14 P2:32

Dear Mr. Lopez:

Reference is made to your letter dated April 17, 1986, in which you requested that International Business Communications (IBC), 1912 Sunderland Place, N.W., Washington, D.C. 20036 be processed for a SECRET facility clearance.

This office has made repeated attempts to contact Mr. Frank Gomez, all to no avail. This office has therefore discontinued processing IBC for a facility clearance.

Sincerely,

Leo J. Beaumont
LEO J. BEAUMONT
Chief, Facilities Division

~~Declassified~~/Released on 11 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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'86 JUN -9 P12:00

DEFENSE INVESTIGATIVE SERVICE
CAPITAL REGION
HOFFMAN BLDG. I, RM 744
2461 EISENHOWER AVE.
ALEXANDRIA, VA 22331-1000

June 3, 1986

Reply to
Attn of: S1511 (Ms. Bradsher(202)325-1352/rms)

Mr. Kenneth E. Lopez, Chief
Procedural Security Division
Overseas Security Program
U.S. Department of State
Washington, DC 20520

Dear Mr. Lopez:

Reference is made to your letter of May 14, 1986, which is your third request that we process International Business Communications (IBC), 1912 Sunderland Place, N.W., Washington, D.C. 20036 for a SECRET facility clearance. International Business Communications has been identified to us as being a partnership composed of Miller Communications, Inc. and Gomez International, Inc. both collocated with IBC.

This office, as well as our Washington Field Office, has expended considerable time and effort to comply with your request. We have made repeated and explicit requests that the partnership furnish the information required to place IBC in process for a clearance. As of 9:00AM on June 2, 1986 we were advised that IBC is not an officially organized partnership; there is no partnership agreement in existence. We have therefore again discontinued processing IBC for a facility clearance.

Sincerely,

Esther L Bradsher
for LEO J. BEAUMONT
Chief, Facilities Division

Copy to: S15DC
IBC

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under provisions of E.O. 12356
by K. Johnson, National Security Council

DEPARTMENT OF
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DEFENSE INVESTIGATIVE SERVICE
CAPITAL REGION
HOFFMAN BLDG. I, RM. [illegible]
2461 EISENHOWER AVE.
ALEXANDRIA, VA 22331-1000

Reply to
Attn of: S1511(Ms. Bradsher/(202)325-9395/tnk) July 30, 1986

SUBJECT: International Business Communications, 1912 Sunderland Place, NW, Washington, DC 20036

TO: United States Department of State
Attn: Kenneth E. Lopes, Chief
Procedural Security Division
Overseas Security Programs
Washington, DC 20520

1. In your letter, dated July 10, 1986, subject as above, you requested this office to process International Business Communications, 1912 Sunderland Place, NW, Washington, DC 20036, for a Department of Defense security clearance. The facility's Federal Supply Code is 1GD92.

2. The facility was granted a INTERIM SECRET, LIMITATIONS PAR 20 c, ISM APPLY, security clearance on July 30, 1986, but does not have the capability to safeguard classified material. Please refer to paragraph 7-102, DoD 5220.22-R, if a classified contract or purchase order is awarded.

Butler R Bradsher
for LEO J. BEAUMONT
Chief, Facilities Division

Copy to: S15DC

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under provisions of E.O. 12356
by K. Johnson, National Security Council

'86 AUG 12 P3:01

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DEFENSE INVESTIGATIVE SERVICE
CAPITAL REGION
HOFFMAN BLDG. 1, RM. 744
2461 EISENHOWER AVE.
ALEXANDRIA, VA 22331-1000

Reply to
Attn of: S1511(Ms. Bradshar/(202)325-1352/ldc)   November 17, 1986

United States Department of State
Attn: Kenneth E. Lopez, Chief
Procedural Security Division
Overseas Security Programs
Washington, D.C. 20520

Dear Mr. Lopez:

Reference is made to our letter, dated July 30, 1986, wherein we advised that International Business Communications, 1912 Sunderland Place, N.W., Wahington, D.C. 20036 had been granted an Interim SECRET clearance. The facility's Federal Supply Code (FSC) is 1GC92.

The facility was granted a SECRET security clearance on November 17, 1986, but does not have the capability to safeguard classified material. In accordance with paragraph 73 of the Industrial Security Manual for Safeguarding Classified Information, classification guidance must be provided to this facility, when appropriate, with a copy to this office.

Sincerely,

Esther P. Bradsher
LEO J. BEAUMONT
for Chief, Facilities Division

Copy to: S15DC

~~[illegible]~~/Released on 11FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

'86 DEC -2 A10:42

UNCLASSIFIED

11 APR 85

UNCLASSIFIED Miller Deps Ex. #36
9/16/87

5
— 9

Text of Memorandum dated 4/11/85

TO: Mary Norman (M/COMP)

FROM: Frank Gardner (S/LPD)

This is to request the usual timing of 25 to 30 days be set aside to make an emergency payment of $12,858 to IBC in response to its bill dated 4/11/85. This action is of utmost importance, not just to the Department, but to the White House, and the NSC so that IBC, which finds itself temporarily in dire financial straits may have the funds in days ahead to intensify its its efforts in public diplomacy on behalf of the President's Easter Peace Proposal for Nicaragua.

(Contract # 1001-502160)

[redacted] Declassified/Released on 10 FEB 89
under provisions of E.O. 12356
by K. Johnson, National Security Council

5515

UNCLASSIFIED

10 Sep 84

UNCLASSIFIED

S/LPD

DEPARTMENT OF STATE
FOREIGN SERVICE INSTITUTE

AUTHORIZATION FOR STUDENT TRAINING

# Miller Depo Ex 35
9/16/87

Name and Address of Training Institute/Student

International Business Communications
1607 New Hampshire Avenue, N.W.
Suite 300
Washington, D. C. 20009

Date: 9/10/84

Training Order No. 1001 - 402486
Allot - Obligation

Course Number/Title: Media Relations Seminar

Order number must appear on all correspondence related to this transaction.

Authorized expenses:	**Amount**
Tuition for two-week seminar for El Salvadoran Government Officials in late August or early September 1984, per attached instructions.	$16,198.00
Books/Typing/Materials and related expenses	$

Remarks:

Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5514

BILLING INSTRUCTIONS

Show Training Order Number on invoice and the name of the student. Submit invoice in an original and one copy to:

NOTICE TO STUDENT

Reimbursement for books, materials, typing, etc. approved above will be made upon submission of written request together with your canceled receipt with a copy of this form mailed to:

Financial Services
General Vouchers
Rosslyn Station
P.O. Box 9487
Arlington, Va. 22209

ACCOUNTING CLASSIFICATION

Appropriation	Allotment	Obligation	Organization	Object	Sub-Object	
1940113	1001	402486	010122	2589	EG397	$16,1

Funds Available:

I Certify that the above named student has been properly registered as stated.

Athalone Edwards

9/10/84 Athalone Edwards

Date	Budget Officer Foreign Service Institute	Date	Registrar Foreign Service Institute.

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MEDIA RELATIONS SEMINAR

International Business Communications agrees to plan and conduct a two-week long Media Relations Seminar for El Salvadoran Government Officials in late August and early September. The nature and scope of the Seminar and the method of payment for these services are outlined below:

The Seminar

Per instructions, I.B.C. is to plan and execute a series of mini seminars of two days each for about fifteen persons per session. During the two-week period, therefore, six separate groups will be trained. The subject matter to be imparted will include but will not be limited to the following:

Theory of Communication
Public Opinion and Public Policy Formulation
The Nature and Operations of the International Press
Basic Journalistic Techniques (Print, radio, TV, wires)
The Government Information Official
Press Ground Rules
Management of News and Information by the Military

In addition to the formal class work, I.B.C. will arrange for Ambassador Catto to meet separately with senior government officials to impart insights, methods and recommendations on the proper conduct of public information activities. He will remain in the country for three days, while the other two lecturers will remain the full two weeks.

Services To Be Provided

I.B.C. will be responsible for all of the planning, administration, execution and follow-up for the entire Seminar Program. This will entail curriculum development, acquisition and showing of films and video tapes, acquisition of books, translation and reproduction of reading materials, conduct of simulated exercises to be videotaped, and other purely instructional aspects.

In addition, I.B.C. will arrange for first-class roundtrip travel for Ambassador Catto and for his hotel accommodations, as well as tourist class travel and hotel accommodations for the two consulting lecturers. It is understood that all expenses related to the Seminar, including payment of per diem and travel costs, will be borne by I.B.C.

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Summary of Expenses and Fees

It is understood that the Seminar will be conducted in a climate of potential guerrilla or terrorist attacks in urgan areas and the nearby countryside. I.B.C. and the lecturers are aware of this situation and the fact that American Government personnel receive a hardship differential of 15% and a danger pay bonus of 25% over and above their regular salaries. While we have not factored in comparable bonuses or differentials for the Seminar Directors, we have taken care of ensuring that all reasonable personal expenses and reasonable honoraria and fees will be provided them. These are as follows:

First-class air travel for Amb. Catto (Ret)	1,140
Tourist travel for two lecturer consultants	1,600
Honorarium for Ambassador Catto	1,000
Per Diem for Ambassador Catto ($66 per day)	198
Consulting fees for two lecturers ($250 per day) for 14 days for two people)	7,000
Per Diem for lecturer consultants	1,848
Purchase of texts, reading materials	350
Taxi fares while in El Salvador	150
Translations, duplication of materials	500
Miscellaneous expenses (telephone, copying, messenger, visas, etc.)	
TOTAL	14,086
I.B.C. fee for preparation and administration	
GRAND TOTAL	

Method of Payment

In view of the urgency of this program and the need to expend sizable sums of money in the immediate future, I.B.C. requests prompt payment of one-half of the toral. A second transaction of 25% of the total is to be paid to I.B.C. upon commencement of the Seminar, and the balance, or 25% will be due upon completion of the workshop.

Contracting Officer is Johnathan S. Miller, S/LPD - Deputy Coordinator. His phone number is 632-3220.

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S/S-EX REQUISITION

REQUISITION FOR EQUIPMENT, SUPPLIES, FURNITURE, ETC.

Page 1 of 4 Pages

TO: X SUPPLY & TRANS ☐ LIBRARY ☐ PUBLIC HEALTH SERVICE ☐ OFFICE OF FOREIGN BLDG. USA OTHER

ATTENTION: RICHARD MILLER
PHONE: 387-3002

1. Form: REQ
2. CONTRACT NUMBER:
3. C:
4. DEST.: 010122
5. PSC:
6. SHIPPING INSTRUCTIONS:
7. REQUISITION NUMBER: 1001-402486 -
8. Comm:
9. GBL NUMBER:
10. Tran:
11. Date P: 840824
12. REQ. OFFICE: S/S-EX
13. Date Rec: [redacted]
14. Date Req:

15. DESCRIPTION: CONTRACT WITH INTERNATIONAL BUSINESS COMMUNICATION - S/LPD

16. $16,19800

17. APPROPRIATION: 1940113
ALLOTMENT: 1001
OBLIG.: 402486
ORG.: 010122
FUNC.:
OBJ.: 2589 -
S-OBJ.:

18. CONTRACTOR TO:
DUNS

INTERNATIONAL BUSINESS COMMUNICATIONS
1607 NEW HAMPSHIRE AVENUE,
SUITE 300
WASHINGTON DC 20009
ZIP

19. CONSIGNEE AND DESTINATION
SHIP TO

OFFI... TRAN... AND PRI...

'84 SEP -4 P 3:

DEPARTMENT OF STATE

[redacted] Declassified/Released on 10/-6388
under provisions of E.O. 12356
by K. Johnson, National Security Council

20. ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN				S.I.D.	SUPPLIES OR SERVICES	Delivery Date	U/I	NO. OF UNITS	UNIT PRICE	TOTAL
1-4	5-8	9-10	11-13	14-17		18-43	48-49	50-51	52-56	57-65	
01						MEDIA RELATIONS SEMINAR		UB	1	1619800	

INTERNATIONAL BUSINESS COMMUNICATIONS AGREES TO PLAN AND CONDUCT A TWO-WEEK LONG MEDIA RELATIONS SEMINAR FOR EL SALVADORAN GOVERNMENT OFFICIALS IN LATE AUGUST AND EARLY SEPTEMBER. THE NATURE AND SCOPE OF THE SEMINAR AND THE METHOD OF PAYMENT FOR THESE SERVICES ARE OUTLINED BELOW.

THE SEMINAR -

PER INSTRUCTIONS, I.B.C. IS TO PLAN AND EXECUTE A SERIES OF MINI SEMINARS OF TWO DAYS EACH FOR ABOUT FIFTEEN PERSONS PER SESSION. DURING THE TWO-WEEK PERIOD, THEREFORE, SIX SEPARATE GROUPS WILL BE TRANED. THE SUBJECT MATTER TO BE IMPARTED WILL INCLUDE BUT WILL NOT BE LIMITED TO THE FOLLOWING::

THEORY OF COMMUNICATION
PUBLIC OPINION AND PUBLIC POLICY FORMULATION
THE NATURE AND OPERATIONS OF THE INTERNATIONAL PRESS
BASIC JOURNALISTIC TECHINIQUES (PRINT, RADIO, TV, WIRES)
THE GOVERNMENT INFORMATION OFFICIAL
PRESS GROUND RULES
MANAGEMENT OF NEWS AND INFORMATION BY THE MILITARY

IN ADDITION TO THE FORMAL CLASSWORK, I.B.C. WILL ARRANGE FOR AMBASSADOR CATTO TO MEET SEPARATELY WITH SENIOR GOVERNMENT OFFICIALS TO IMPART INSIGHTS, METHODS AND RECOMMENDATIONS ON THE PROPER CONDUCT OF PUBLIC INFORMATION ACTIVITIES. HE WILL REMAIN IN THE CONTRY FOR DAYS, WHILE THE OTHER TWO

21. FOB POINT/FAS POINT:
22. DISCOUNT:
23. REQUISITIONER'S NAME: GERRY O'BRIEN
24. REQUISITIONER'S PHONE: 632-0204

GSA REQUISITION DATA CODING (To be completed on GSA requisition ONLY — See reverse side)

1-3	7	23-26	26-39	44	45-50	51	52-53	54-59	60-61	62-64	65-66

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☐ SUPPLY & TRANS. ☐ PUBLIC HEALTH SERVICE GSA ATTENTION:
☐ LIBRARY ☐ OFFICE OF FOREIGN BLDG. OTHER PHONE:

2. CONTRACT NUMBER	3.C	4. DEST.	5. PSC	6. SHIPPING INSTRUCTIONS	7. REQUISITION NUMBER 1001-402486
9. GBL NUMBER	10.	11. Date P	12. REQ. OFFICE	13. Date Req AI 14. Date Sp	

DESCRIPTION

16. AMOUNT

APPROPRIATION	ALLOTMENT	OBLIG.	ORG.	FUNC.	OBJ.	S-OBJ.

CONTRACTOR TO:

DUNS

ZIP

19. CONSIGNEE AND DESTINATION

SHIP TO

20. ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN	S.IO	SUPPLIES OR SERVICES	Delivery Date	U O I	NO. OF UNITS	UNIT PRICE	TOTAL
4	5-8 9-10 11-13 14-17		18-43	49-89	50-51	52-56	57-63	

LECTURERS WILL REMAIN THE FULL TWO WEEKS.

SERVICES TO BE PROVIDED -

INTERNATIONAL BUSINESS COMMUNICATIONS WILL BE RESPONSIBLE FOR ALL OF THE PLANNING, ADMINISTRATION, EXECUTION AND FOLLOW-UP FOR THE ENTIRE SEMINAR PROGRAM. THIS WILL ENTAIL CURRICULUM DEVELOPMENT, ACQUISITION AND SHOWING OF FILMS AND VIDEO TAPES, ACQUISITION OF BOOKS, TRANSLATION AND REPRODUCTION OF READING MATERIALS, CONDUCT OF SIMULATED EXERCISES TO BE VIDEOTAPED, AND OTHER PURELY INSTRUCTIONAL ASPECTS.

IN ADDITION, I.B.C. WILL ARRANGE FOR FIRST CLASS ROUND-TRIP TRAVEL FOR AMBASSADOR CATTO AND FOR HIS HOTEL ACCOMODATIONS, AS WELL AS TOURIST CLASS TRAVEL AND HOTEL ACCOMODATIONS FOR THE TWO CONSULTING LECTURERS. IT IS UNDERSTOOD THAT ALL EXPENSES RELATED TO THE SEMINAR, INCLUDING PAYMENT OF PER DIEM AND TRAVEL COSTS, WILL BE BORNE BY I.B.C.

SUMMARY OF EXPENSES AND FEES -

IT IS UNDERSTOOD THAT THE SEMINAR WILL BE CONDUCTED IN A CLIMATE OF POTENTIAL GUERRILLA OR TERRORIST ATTACKS IN URBAN AREAS AND THE NEARBY COUNTRYSIDE. I.B.C. AND THE LECTURERS ARE AWARE OF THIS SITUATION AND THE FACT THAT AMERICAN GOVERNMENT PERSONNEL RECEIVE A HARDSHIP DIFFERENTIAL OF 15% AND A DANGER PAY BONUS OF 25% OVER AND ABOVE THEIR REGULAR SALARIES. WHILE WE HAVE NOT FACTORED IN COMPARABLE BONUSES DIFFERENTIALS FOR THE SEMINAR DIRECTORS, WE HAVE TAKEN CARE OF ENSURE THAT ALL REASONALBE PERSONAL EXPENSES AND

FOB POINT/FAS POINT	22. DISCOUNT	23. REQUISITIONER'S NAME	24. REQUISITIONER'S PHONE

FEDSTRIP IDENTIFICATION CODING *(To be completed on GSA requisition ONLY — See reverse side)*

3	4-6	7	30-35	36-39	44	45-50	51	52-53

APPROVING

35. FUNDS AVAILABLE

UNCLASSIFIED

REQUISITION FOR EQUIPMENT, SUPPLIES, FURNITURE, ETC.

Page 3 of 4 Pages

TO: ☒ SUPPLY & TRANS. ☐ LIBRARY ☐ PUBLIC HEALTH SERVICE ☐ OFFICE OF FOREIGN BLDG. GSA OTHER

ATTENTION:

PHONE:

1. Form CON

2. CONTRACT NUMBER

3. C

4. DEST.

5. PSC

6. SHIPPING INSTRUCTIONS

7. REQUISITION NUMBER 1001-402486 -

8. Comm

9. GBL NUMBER

10.

11. Date P

12. REQ. OFFICE

13.

AI

14.

15. DESCRIPTION

16. AMOUNT

17. APPROPRIATION | ALLOTMENT | OBLIG. | ORG. | FUNC. | OBJ. | S-OBJ.

18. CONTRACTOR TO:

DUNS

ZIP

19. CONSIGNEE AND DESTINATION SHIP TO

20. ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN	S. ID	SUPPLIES OR SERVICES	Delivery Date	U O I	NO. OF UNITS	UNIT PRICE	TOTAL
1-4	5-8 9-10 11-13 14-17		18-43	49-99	50-51	52-56	57-68	

REASONABLE HONORARIA AND FEES WILL BE PROVIDED THEM. THESE ARE AS FOLLOWS:

FIRST CLASS AIR TRAVEL FOR AMB. (RET.) CATTO	1,140
TOURIST TRAVEL FOR TWO LECTURER CONSULTANTS	1,600
HONORARIUM FOR AMBASSADOR CATTO	1,000
PER DIEM FOR AMBASSADOR CATTO ($66 PER DAY)	198
CONSULTING FEES FOR TWO LECTURERS ($250 PER DAY FOR 14 DAYS FOR TWO PEOPLE)	7,000
PER DIEM FOR LECTURER CONSULTANTS	1,848
PURCHASE OF TEXTS, READING MATERIALS	350
TAXI FARES WHILE IN EL SALVADOR	150
TRANSLATIONS, DUPLICATION OF MATERIALS	500
MISCELLANEOUS EXPENSES (TELEPHONE, COPYING, MESSENGER, VISAS, ETC.)	
TOTAL	$14,086
I.B.C. FEE FOR PREPARATION AND ADMINISTRATION	
GRAND TOTAL	$

METHOD OF PAYMENT -

IN VIEW OF THE URGENCY OF THIS PROGRAM AND THE NEED TO EXPEND SIZABLE SUMS OF MONEY IN THE IMMEDIATE FUTURE, I.B.C. REQUESTS PROMPT PAYMENT OF ONE HALF OF THE TOTAL. A SECOND TRANCHE OF 25% OF THE TOTAL IS TO BE PAID TO I.B.C. UPON COMMENCEMENT OF THE SEMINAR, AND THE BALANCE, OR 25% WILL BE DUE UPON COMPLETION OF THE WORKSHOP.

21. FOB POINT/FAS POINT

22. DISCOUNT

23. REQUISITIONER'S NAME

24. REQUISITIONER'S PHONE

GSA FEDSTRIP IDENTIFICATION CODING *(To be completed on GSA requisition ONLY – See reverse side)*

1-3	4-6	7		30-35	38-39		44	45-50		61		62-63

25. APPROVING

26. FUNDS AVAILABLE

UNCLASSIFIED

EQUIPMENT, SUPPLIES, FURNITURE, ETC.

4 - 4

TO: ☐ SUPPLY & TRANS ☐ LIBRARY ☐ PUBLIC HEALTH SERVICE ☐ OFFICE OF FOREIGN BLDG. GSA OTHER

ATTENTION:
PHONE:

1. Form: CON
2. CONTRACT NUMBER
3. C
4. DEST.
5. PSC
6. SHIPPING INSTRUCTIONS
7. REQUISITION NUMBER 6001-402486
8. Comm
9. GBL NUMBER
10.
11. Date P
12. REQ. OFFICE
13.
14.
15. DESCRIPTION
16. AMOUNT
17. APPROPRIATION ALLOTMENT OBLIG. ORG. FUNC. OBJ. S-OBJ.
18. CONTRACTOR TO: DUNS ZIP
19. CONSIGNEE AND DESTINATION SHIP TO
20. ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN				S. IO	SUPPLIES OR SERVICES	Delivery Date	U O I	NO. OF UNITS	UNIT PRICE	TOTAL
1-4	5-8	9-10	11-13	14-17		18-43	49-50	50-51	52-56	57-63	

PAYMENT SHOULD BE MADE TO INTERNATIONAL BUSINESS COMMUNICATIONS, 1607 NEW HAMPSHIRE AVE., N.W., WASHINGTON, D.C. 20009.

THE CONTRACTING OFFICER (COTR) IS JOHNATHAN S. MILLER, S/LPD - DEPUTY COORDINATOR. HIS PHONE NUMBER IS 632-3220.

REQUESTED BY:
S/LPD - OTTO J. REICH
FILE NO. 1431

FILE NO. 1431

21. FOB POINT/FAS POINT
22. DISCOUNT
23. REQUISITIONER'S NAME
24. REQUISITIONER'S PHONE

GSA FEDSTRIP IDENTIFICATION CODING *(To be completed on GSA requisition ONLY – See reverse*

1-3	4-6	7	30-36	38-39	44	46-50	51	52-63

25. APPROVING
26. FUNDS AVAILABLE

UNCLASSIFIED

INTERNATIONAL BUSINESS COMMUNICATIONS
1807 NEW HAMPSHIRE AVE., N.W. SUITE 300
WASHINGTON, D.C. 20009 . (202) 387-3002 TELEX 3718712

INVOICE

RECEIVED
DEPARTMENT OF STATE
1984 OCT 21 A 11:01
COMP/FO/OFO/CCD
CENTRAL CLAIMS DIVISION

I.B.C. NO:
~~Training Order~~ No: 1001-402486

TO: Department of State
Foreign Service Institute

APPROPRIATION - 1940113

ALLOTMENT - 1001

OBLIGATION - 402486

ORGANIZATION - 010122

OBJECT - 2589

Two-week seminar for El Salvadoran Government Officials in late August - early September 1984.

Salaries For Officials (10)............................$ 16, 198.00

Due Upon Receipt

Pd. 10/25/84
[illegible]

Certified correct
and proper for
payment

Anita S. Crown
Authorized Certifying
Officer

[redacted] Declassified/Released on 10FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

YOUR CHECK IN THE AMOUNT OF
$ TO COVER THE
INVOICE(S) WILL BE FORTHCOMING.

UNCLASSIFIED

included the recommendation that OPR/STP should not process requisitions which stipulate sole source procurement unless the criteria have been satisfied.

-- "OPR/STP, in accordance with FPR 1-3.807-2, should establish controls and set forth procedures to assure that price or cost analysis is performed on each negotiated contract awarded and that such action is adequately documented in the contract files."

-- "OPR/STP should emphasize to all Department organizations the importance of their early identification of planned acquisitions in the procurement process even though funding is not a certainty."

Apparently, the actions taken in response to the report were not adequate to resolve the problems.

In the course of our interviews with the cognizant contracting officials we were told that there was a great deal of pressure to place the S/LPD orders and that there were inadequate OPR/STP personnel resources at the time the acquisitions were processed to perform the functions related to the acquisition process. One official simply stated that the OPR/STP small purchasing staff failed to do their job.

Contracting officials told us they generally agreed that the sole source justifications were inadequate and they did not question S/LPD officials on their actions to split the purchase requirements. Moreover, we were told that the shortage of staff caused OPR/STP to act as a "rubber stamp" operation.

2. Training Order Placed by the Foreign Service Institute Registrar

The Foreign Service Institute (M/FSI) Registrar placed Training Order No. 1001-402486 for $16,198 with IBC on September 10, 1984. The training order required IBC to conduct seminars in El Salvador on improving press relations for El Salvadoran military officials in late August and early September of 1984. The use of an M/FSI training order to obtain these IBC services appears to be inconsistent with the principles that generally apply to M/FSI training orders. Normally, M/FSI arranges for training for State Department employees that is job related. The training order with IBC was for media relations training for officials of a foreign government and was conducted by a private company in a foreign country.

According to the IBC proposal, it had been instructed to plan and execute a series of mini seminars of two days each for about fifteen persons per session. In addition to the formal class work, IBC planned to arrange meetings between a former Ambassador and senior government officials for him to impart insights, methods, and

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The M/COMP Certifying Officer stated that the invoices submitted by companies which have performed services under a training order are "self-certifying." We were told that the training order form statement--"I certify that the above named student has been properly registered as stated" was used by M/COMP personnel as the basis for certifying an invoice for payment. Therefore, the documents needed for M/COMP to process a training order payment would be a copy of the training order and the company's invoice.

We believe the procedures for "self-certification" of contractor invoices may be an appropriate method for processing payments when M/FSI personnel use a training order to acquire training using M/FSI funds for job-related training for employees. However, we believe that the use of "self-certification" of contractor's invoices for the IBC training order was not an appropriate method to process payments since the services provided by IBC deviated from the normal M/FSI training procedures.

In discussions with an IBC official we were told that IBC was asked to improve Salvadoran public relations capabilities. We were told that IBC prepared materials for the program and went to El Salvador. While there, IBC met with various people and gave them advice and a plan; however, the "seminar" never took place as a formal seminar. Instead, individual counseling took place with 20 to 25 individuals. The former Ambassador informed us that he went to El Salvador in June 1984 but not during the period late August and early September 1984. Moreover, he said that except for his travel expenses he received no other payment for the work he performed in June 1984. The IBC proposal for the seminar in August/September 1984 included a $1,000 honorarium for the services of the former Ambassador. During the same period IBC was providing services to S/LPD under purchase order 1001-402296. The order covered travel expenses to El Salvador for IBC personnel and the evaluation of the government's public information programs. S/LPD officials were unaware of the nature and extent of IBC performance under the training order.

While the IBC official told us that the work ordered by M/FSI's training order was not performed in accordance with the specific requirements of the order, the invoice submitted by IBC showed tuition for ten officials for a price of $16,198 for a two-week seminar for El Salvadoran Government Officials in late August--early September 1984. This IBC invoice was paid based on the "self-certification" process.

On July 13, 1987, M/FSI informed us that its internal controls over pass-through contracts such as the one discussed above had been strengthened to prevent similar problems in the future. We believe the delegation of procurement authority to M/FSI should be reviewed to determine whether it is appropriate for the Registrar to continue to award these types of training orders in the future. (Recommendation that action should be taken to recover funds from IBC since the services specified in the training order issued by M/FSI were not performed. (Recommendation 10).

Comments of Department Officials

In commenting on a draft of this report, the former head of S/LPD stated (1) he was not aware of the procurement policies and regulations, (2) he relied on his staff and procurement office staff to insure that appropriate rules were complied with, (3) he was never informed about any irregularities in S/LPD's procurement practices, rather, he was informed that [illegible] practices were followed all the time, (4) he was not adequately supported by the Department with administrative and other personnel familiar with Departmental procedures, and (5) the pricing of many of IBC's activities such as handling defectors and establishing credibility of U.S. government officials was difficult to establish.

Officials in A/OPR and A/OPE described the causes for the problems somewhat differently. Both stated that a lack of resources within the procurement function has been a historical problem in the Department and has hindered the carrying out of effective procurement operations. However, both also stated that the majority of the fault for the problems with the IBC contracts was with the programming office (in this case S/LPD) rather than the procurement or contracting officials. A/OPR commented that S/LPD exploited the situation by entering into unauthorized commitments, selecting the source, deciding upon dollar amounts and relying on the contracting officer to correct the situation on an urgent and compelling basis to facilitate payment. Both A/OPR and A/OPE stated that S/LPD used extreme duress and "steamrolled" procurement officials to process acquisitions which did not comply with appropriate regulations. A/OPR also commented that the report did not recognize the considerable progress which has been made in the procurement operations in the Department since the subject contracts with IBC and its principals were processed. Along these lines, he stated that most of the recommendations concerning procurement operations have already been implemented.

We acknowledge that a lack of personnel resources could have been a contributing factor in the operations of both S/LPD and procurement. We found that the former head of S/LPD made many requests for staffing and other support for his office. We also verified that administrative positions in S/LPD turned over frequently and were vacant during some periods. In summary, we agree that S/LPD probably was not adequately supported by the Department. We also acknowledge that the lack of adequate personnel resources in the procurement function has been a problem reported previously by the Inspector General. Concerning progress made in procurement activities we believe that significant improvements may have been made; however, the scope of this inquiry was limited to specific procurement actions, some of which were several years old. We did not

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1

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16 Sep 86

Miller Depo Ex. 37

9/16/87

Invoice # DOS1-85A
Contract # 1001-602066

September 16, 1986
Page 2

	September	Cumulative
Direct Labor	$ 9,867.49	$ 96,159.66
G & A (16.86%)	1,663.66	16212.52
Overhead (89.485)	8,829.43	86,043.66
Other Direct Costs	3,781.53	29,225.91
Total Costs	24,142.11	227,641.74
Fee (6.33%)	1,528.20	14,409.73
Month Total	$25,670.31	$242,051.47

[redacted]/Released on 11 FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5516

276,186.00
242,051.47
34,134.53

2 [illegible]
25 670.31
242,051.47

UNCLASSIFIED

Employee Name [illegible]

Pay Period September 1986

Date	Description of Work Performed	LEAVE	[illegible]	[illegible]	Total Hours	
9/1	Labor Day	8				
9/2	Database / computers		10			
9/3	[illegible], admin		[illegible]			
9/4	[illegible]		11			
9/5	Database		9.5			
9/6	Database / [illegible]		4.5			
9/7	Database / [illegible]		7.5			Subtotal to Date
	WEEK TOTAL					
9/8	Database; ACTNG; INDEX [illegible]		15			
9/9	Database; [illegible] structure		10.5			
[illegible]	[illegible]		[illegible]			
[illegible]	[illegible]		[illegible]			
	[illegible]			[illegible]		
9/12	Mtg Kagan, database [illegible], admin		9.5			
[illegible]	Database, [illegible] docs, [illegible]		4			Subtotal to Date
	WEEK TOTAL					
~~[illegible]~~						
9/15	Database, [illegible], admin		10.5			
9/16	[illegible]		10			
9/17	Mtgs, MKE [illegible]					
	[illegible]		10.5			
[illegible]	[illegible]					
	[illegible]		[illegible]			Subtotal to Date
	WEEK TOTAL					
[illegible]	[illegible] docs		[illegible]			
[illegible]	dbase, admin		3.5			
[illegible]	Management docs		11			
[illegible]	[illegible] requests, admin		10			
[illegible]	admin, dbase		9.5			
9/25	Inventory, [illegible] MKE clean up database		10			Subtotal to Date
	WEEK TOTAL					
9/26	requests, [illegible], assignment docs, etc. admin		10			
[illegible]	[illegible]		4			
[illegible]	Admin, agent docs		12			
[illegible]	[illegible]		11			

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COMPUTER LOG

DATE	TIME ON	TIME OFF	TOTAL HRS.	CLIENT
9.3.86	9:30 am	11:00am	1.5	DOS
	11:00 am	7:30 pm	8.5	DOS
9.4.86	9:30 am	11:00 pm	1.5	DOS
9.5.86	9:00 am	12:00 noon	3	DOS
9.06.86	7:00 am	3 p	8	DOS
9.7.86	2:30 pm	10:30 pm	8	DOS
9.8.86	12:30 pm	11:30 pm	11	DOS
9.9.86	8:30 am	4:30 pm	8	DOS
9.10.86	12 noon	1 pm	1 hr	DOS
9.10.86	3:30	10 pm	7.5 hr	DOS
9.10.86	10 pm	Midnight	2 hrs	DOS
9.11	[illegible]	3:30 pm	5.5	DOS
9:11	5:30pm	11:30 pm	6 hrs	DOS
9:12	01:45 am	4:30 am	3 hrs	DOS
9:12	09:30	12:30	3 hrs	DOS
[illegible]	[illegible]	[illegible]	1.5	DOS
9.15	10:am	5:30	7.5	DOS
.16	2:30	6:00	4.5	DOS
9.17	10:AM	6:00pm	8 hrs	DOS
9:18	10:00	11:30	1.5	DOS
9.18	2:00	2:30	.5	DOS
[illegible]	10:3[illegible]	[illegible]	2 hrs	DOS
[illegible]	1:20	5:20	4 hrs	DOS
09-24	9:30	10:30	1 hr	DOS
9.25	4:00	6pm	2 hrs	DOS
9:25	6:30 pm	11:30pm	5 hrs	DOS
9.29	9am	11:30am	2½ hrs	DOS
9.30	9AM	11:30 am	2.5 hrs	DOS
9.30	[illegible]	5pm	[illegible]	
9:19	11:AM	4:30	5.5	DOS
			135 Hour	

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82 724 C963

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PAID
check 1706 10/1/86

RCE: State

Expenses - September, 1986

Frances C. Jacobowitz

Date	Type	Amount	
09/03/86	Parking (Anthony & Williams)	$ 4.00	(DOS)
09/03/86	Parking (State)	2.00	(DOS)
09/17/83	Taxi to State	3.50	(DOS)
09/25/86	Taxi to State	3.50	(DOS)
09/26/86	Taxi to State	2.50	(DOS)
	Taxi from State	3.50	(DOS)
09/29/86	Taxi to State	2.50	(DOS)
	Taxi from State	3.50	(DOS)
Total		25.00	

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INTERNATIONAL BUSINESS COMMUNICATIONS

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EMPLOYEE [illegible] PERIOD START August 29 PERIOD END Sept 11, [illegible]

	DATE	HOURS IN	HOURS OUT	REGULAR	OVERTIME	TOTAL
FRIDAY	08-29-86	9:00	6:00	8	1	
SATURDAY	08-30-86	7:00 am	3:00		8	
SUNDAY						
MONDAY	09-01-86	7:00	12:00	Holiday	5	
TUESDAY	09-02-86	9:00	6:00	8	1	
WEDNESDAY	09-03-86	9:00	6:00	8	1	
THURSDAY	09-04-86	9:00	6:00	8	1	
FRIDAY	09-05-86	9:00	6:00	8	1	
SATURDAY	09-06-86	9:00	3:00		8	
SUNDAY						
ONDAY	09-08-86	9:00	6:00	8	1	
UESDAY	09-09-86	9:00	6:00	8	1	
EDNESDAY	09 10-86	9:00	6:00	8	1	
HURSDAY	09 11-86	9:00	6:00	8	1	

80 regular 30 Hr. OT 110 [illegible]

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INTERNATIONAL BUSINESS COMMUNICATIONS

UNCLASSIFIED

EMPLOYEE Cristina Guillen PERIOD START 09-12-86 PERIOD END 09-25-86

	DATE	HOURS IN	HOURS OUT	REGULAR	OVERTIME	TOTAL
FRIDAY	09-12-86	9:00 am	6:00 pm	8	1	
SATURDAY	09-13-86	9:00	6:00		8	
SUNDAY	09-14-86	—	—	—	—	
ONDAY	09-15-86	9:00	6:00	8	1	
TUESDAY	09-16-86	9:00	6:00	8	1	
WEDNESDAY	09-17-86	9:00	6:00	8	1	
THURSDAY	09-18-86	9:00	6:00	8	1	
RIDAY	09-19-86			Leave	Leave	
ATURDAY	09-20-86					
UNDAY	09-21-86	—	—	—	— —	
ONDAY	09-22-86	/	/	Sick Leave	Sick Leave	
UESDAY	09-23-86	9:00	6:00	8	1	
EDNESDAY	09-24-86	9:00	5:00	8		
HURSDAY	09-25-86	—	—	Leave	Leave	

56/

56 Reg Hours
8 sick leave
+16 Leave
80

14 hrs overtime
"

UNCLASSIFIED

ANTHONY & WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

AIR RIGHTS BUILDING
SUITE [illegible]
[illegible] WISCONSIN AVENUE
BETHESDA, MARYLAND
20814

DAVID R. WILLIAMS, CPA
STEVEN ANTHONY, CPA, JD

TELEPHONE
(301) [illegible]

SEPTEMBER 30, 1986

INT'L BUSINESS COMMUN. 200 20053
(DCAA CONTRACT)
1912 SUNDERLAND PL., NW
WASHINGTON DC 20036

SERVICES RENDERED

09/03/86	MANAGEMENT ADVISORY SRVCS	MTG W/HENRY RE BILL PREP
09/03/86	MANAGEMENT ADVISORY SRVCS	& SUMMARY TO STATE DEPT
09/03/86	MANAGEMENT ADVISORY SRVCS	PREP SAMPLE DCAA BILL
09/03/86	MANAGEMENT ADVISORY SRVCS	FOR CLIENT DISCUSSION
09/03/86	MANAGEMENT ADVISORY SRVCS	REVIEW DCAA CONTRACT FILE
09/03/86	MANAGEMENT ADVISORY SRVCS	MTG W/F JACOBS RE BILL
'03/86	MANAGEMENT ADVISORY SRVCS	PROCEDURE FOR DCAA
09/03/86	MANAGEMENT ADVISORY SRVCS	SUMMARIZE NOTES FROM MTG
09/04/86	MANAGEMENT ADVISORY SRVCS	TELCO W/F JACOBS RE DCAA
09/04/86	MANAGEMENT ADVISORY SRVCS	CONTRACT INFO
09/04/86	MANAGEMENT ADVISORY SRVCS	PREP QUESTION LIST TO
09/04/86	MANAGEMENT ADVISORY SRVCS	CLEAR WITH CLIENT
09/08/86	MANAGEMENT ADVISORY SRVCS	TELCO W/ FRAN RE A&W DCAA
09/08/86	MANAGEMENT ADVISORY SRVCS	BILLING
09/08/86	MANAGEMENT ADVISORY SRVCS	RESEARCH BILLINGS W/ DAWN
09/08/86	MANAGEMENT ADVISORY SRVCS	PREP SCH DETAILING
09/08/86	MANAGEMENT ADVISORY SRVCS	BILLINGS
09/08/86	JOURNALS, LEDGERS, BK REC-	ASSIST HM W/PREVIOUS
09/08/86	JOURNALS, LEDGERS, BK REC	CLIENT BILLINGS

TOTAL FEES	$425.00
ADD PREVIOUS BALANCE	-0-
LESS PAYMENTS RECEIVED	-0-
TOTAL DUE	$425.00

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14 JUN 86

TO CONYERS

13/19/86 131442 PRINTER: FK
16 SAN SALVADOR 8316
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PAGE 01 SAN SA 08316 01 OF 03 142150Z
ACTION HCRE-00
INFO LOG-00 ADS-00 H-01 ARA-00 HA-09 /010 W
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R 142149Z JUN 86
FM AMEMBASSY SAN SALVADOR
TO SECSTATE WASHDC 3647
UNCLAS SECTION 01 OF 03 SAN SALVADOR 08316
H PASS
E.O.12356: N/A
TAGS: PHUM, ES
SUBJECT: CONGRESSIONAL CORRESPONDENCE:
- RESPONSE TO REP CONYERS' LETTER

~~Partially Declassified~~/Released on 11 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

TO:
CONGRESSMAN JOHN CONYERS, JR.
HOUSE OF REPRESENTATIVES
WASHINGTON, DC, 20515

DEAR CONGRESSMAN CONYERS:

A NUMBER OF AMERICANS HAVE WRITTEN TO THIS EMBASSY ENCLOSING A NEWSLETTER WHICH APPEARED SEVERAL MONTHS AGO (IT IS UNDATED) OVER YOUR SIGNATURE, DISCUSSING THE SITUATION IN CENTRAL AMERICA AND SOLICITING FUNDS ON BEHALF OF AN ORGANIZATION CALLED "N.E.S.T.". THE NEWSLETTER CONTAINS SO MANY SERIOUS DISTORTIONS AND INACCURACIES THAT IT WOULD BE DIFFICULT TO LIST THEM ALL. I AM, HOWEVER, DISMAYED TO SEE SUCH A DISTINGUISHED CONGRESSMAN AS YOURSELF LEND HIS NAME AND REPUTATION TO SUCH BLATANT FALSEHOODS.

TO GIVE JUST A FEW EXAMPLES:

55/9

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PAGE 02 SAN SA 08316 01 OF 03 142150Z

- THE NEWSLETTER ASSERTS THAT 50,000 PEOPLE HAVE BEEN KILLED LARGELY BY MILITARY AND RIGHT WING DEATH SQUADS "OVER THE PAST FIVE YEARS"; IN FACT, THE OVERWHELMING MAJORITY OF PEOPLE KILLED IN EL SALVADOR DURING THIS COUNTRY'S INTERNAL CONFLICT WERE SLAIN FROM 1979-82. SINCE THE U.S. BECAME ACTIVELY INVOLVED IN PRESSURING FOR REFORM, THE NUMBER OF PEOPLE KILLED HAS FALLEN SO SHARPLY THAT DURING EACH OF THE PAST TWO YEARS, DEATHS RESULTING FROM POLITICALLY-MOTIVATED VIOLENCE NUMBERED ONLY SEVERAL HUNDRED -- CONTRASTED WITH FIGURES OF OVER 1,000 DEATHS PER MONTH DURING THE EARLIER PERIOD. I REALIZE THAT ANY NUMBER OF POLITICALLY-MOTIVATED KILLINGS IS TOO LARGE, BUT IT IS BADLY MISLEADING TO SUGGEST THAT WHAT OCCURRED DURING THE 1979-82 PERIOD IS STILL GOING ON TODAY; IT OBVIOUSLY IS NOT.

- THE NEWSLETTER ASSERTS THAT "HUMAN SUFFERING" IN EL SALVADOR "HAS BEEN MOLDED IN LARGE PART BY THE MORE THAN 1.7 BILLION DOLLARS IN U.S. AID" TO THIS COUNTRY: IN

UNCLASSIFIED

12/19/85 [illegible] PRINTER: FK

86 SAN SALVADOR 8316

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FACT, AS I KNOW YOU MUST BE AWARE, BY FAR THE OVERWHELMING MAJORITY OF U.S. AID HAS BEEN ECONOMIC ASSISTANCE DIRECTED TOWARD HEALTH CARE, EDUCATION, THE RECONSTRUCTION OF ROADS AND BRIDGES DESTROYED BY THE GUERRILLAS, MATERNAL CARE, REBUILDING SCHOOL ROOMS DAMAGED OR DESTROYED BY THE GUERRILLAS, AGRICULTURE ASSISTANCE, HOUSING PROGRAMS, LAND REFORM, TRAINING COURSES FOR PUBLIC SERVANTS, AND THE PROVISION OF FOOD AND COMMODITIES SUCH AS MILK, COOKING OIL, CORN, TALLOW, AND OTHER SUCH PRODUCTS, TO THE PEOPLE OF EL SALVADOR. THE "HUMAN SUFFERING" HAS NOT BEEN MOLDED BY U.S. AID TO EL SALVADOR, BUT RATHER BEEN ALLEVIATED BY IT.

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PAGE 03 SAN SA 08316 01 OF 03 142156Z

- THE NEWSLETTER SAYS THAT "THE CHIEF VICTIMS ARE EL SALVADOR'S CIVILIANS"; THAT IS TRUE, BUT WHEREAS IN THE EARLY YEARS OF THE FIGHTING, THEY MAY HAVE BEEN VICTIMIZED BY SALVADORAN MILITARY AND SECURITY FORCES, NOW THEY ARE CLEARLY AND DEMONSTRABLY THE VICTIMS OF GUERRILLA FORCES WHO HAVE MADE NO SECRET OF THEIR INTENTION TO DESTROY AS MUCH OF THE CIVILIAN ECONOMY AS POSSIBLE IN ORDER TO IMPRESS UPON THE PEOPLE THAT THEY -- THE GUERRILLAS -- WILL NOT GIVE UP THEIR ATTEMPT TO TAKE OVER THIS COUNTRY. THERE IS A VERY GOOD, VERY QUICK, AND VERY EFFECTIVE WAY FOR THE KILLING OF CIVILIANS AND DESTRUCTION OF THE CIVILIAN ECONOMY TO STOP -- AND THAT IS FOR THE GUERRILLAS TO STOP TRYING TO TAKE THIS COUNTRY OVER BY FORCE OF ARMS AND FOR INFLUENTIAL OUTSIDERS, SUCH AS YOURSELF, TO LEND THEIR SUPPORT TO SUCH A CALL. THE ALTERNATIVE IS TO ASK AND EXPECT A DEMOCRATICALLY-ELECTED GOVERNMENT, CHOSEN BY 1.5 MILLION VOTERS (OUT OF A POPULATION OF AROUND 5 MILLION SALVADORANS) TO SURRENDER TO APPROXIMATELY 5,000 ARMED GUERRILLAS. I ASSUME NEITHER YOU NOR ANY OTHER RESPONSIBLE PUBLIC OFFICIAL WOULD SO ADVOCATE. CERTAINLY WE DID NOT DO SO TO THE "WEATHERMEN INTERNATIONAL" IN THE 1960'S AND 1970'S IN THE U.S.

- YOUR NEWSLETTER ALLEGES THE USE OF "ANTI-PERSONNEL BOMBS, WHITE PHOSPHORUS, OR EVEN NAPALM ON WHATEVER FLIES BELOW"; AS YOU MAY NOT BE AWARE, THE SALVADORAN ARMED FORCES DO NOT USE FLECHETTE OR CBU ANTI-PERSONNEL BOMBS; THE ONLY WHITE PHOSPHORUS IN THEIR INVENTORY IS CONTAINED IN FLARES AND "MARKING" ROUNDS, BOTH OF WHICH

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ACTION HCRE-00
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                          ------------------021764  142204Z /66 38
R 142149Z JUN 86
FM AMEMBASSY SAN SALVADOR
TO SECSTATE WASHDC 3648
UNCLAS SECTION 02 OF 03 SAN SALVADOR 08316
H PASS
E.O.12356: N/A
TAGS: PHUM, ES
SUBJECT: CONGRESSIONAL CORRESPONDENCE:
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ARE UNSUITED FOR ANTI-PERSONNEL USE; AND THERE HAS NEVER BEEN ANY CREDIBLE EVIDENCE TO SUGGEST THAT NAPALM HAS EVER BEEN USED IN EL SALVADOR. A HARVARD UNIVERSITY MEDICAL SCHOOL TEAM SPENT SEVERAL MONTHS IN EL SALVADOR SPECIFICALLY TRYING TO PROVE THE OPPOSITE AND WAS UNABLE TO DO SO DESPITE EXTENSIVE INTERVIEWS AND EXHAUSTIVE INVESTIGATION. ALLEGATIONS ABOUT THE USE OF NAPALM HAVE BEEN IN THE REPERTORY OF GROUPS OPPOSED TO U.S. POLICY I EL SALVADOR ALL ALONG; THEY HAVE NEVER BEEN SHOWN TO BE TRUE, AND I AM DISMAYED TO SEE THAT SO RESPECTED A CONGRESSMAN AS YOURSELF WOULD LEND HIS NAME TO THE REPETITION OF SUCH BLATANT FALSEHOODS.

- THE NEWSLETTER GOES ON TO SPEAK OF "SEARCH AND DESTROY MISSIONS...ORDERED BY U.S. ADVISORS"; THIS IS ARRANT NONSENSE. NEVER IN THE SIX-YEAR HISTORY OF THE U.S. MILITARY PROGRAM TO EL SALVADOR, DURING WHICH OUR ROLE HAS BEEN CONFINED EXCLUSIVELY TO THAT OF "TRAINING", HAVE U.S. TRAINERS (NOT "ADVISORS", AS YOUR NEWSLETTER ASSERTS) GIVEN ANY ORDERS TO SALVADORAN FORCES TO DO ANYTHING. OUR ROLE IN THIS COUNTRY IS NOT ONE OF "ORDERING" SALVADORAN MILITARY ACTION.

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PAGE 02   SAN SA 08316 02 OF 03 142157Z

- YOUR NEWSLETTER ASSERTS THAT "PEOPLE FLEE TO AVOID THE WRATH OF THE MILITARY"; PERHAPS SEVERAL YEARS AGO PEOPLE FLED FROM A DIFFERENT SALVADORAN MILITARY. THAT IS DEMONSTRABLY NOT THE CASE AT THIS TIME; SALVADORANS FLEEING MILITARY ACTIVITY TODAY ALMOST INVARIABLY MOVE DELIBERATELY TOWARD AREAS WHERE THERE IS A STRONG ENOUGH SALVADORAN ARMED FORCES PRESENCE TO BE ABLE TO GUARANTEE THEIR SAFETY AND SECURITY. EVEN THE MOST CASUAL OBSERVER OF THE SITUATION IN EL SALVADOR CANNOT FAIL TO NOTE THAT THE DISPLACED POPULATION OF THIS COUNTRY HAS ALMOST EXCLUSIVELY MOVED TO AREAS CLOSE TO SALVADORAN MILITARY CONCENTRATIONS. THE RECENT MILITARY OPERATION (OPERATION PHOENIX) ON MOUNT GUAZAPA, 20 MILES NORTHEAST OF SAN SALVADOR, IS AS GOOD AN EXAMPLE AS ANY; WHEN THE

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12/19/86 131442 PRINTER: FK
16 SAN SALVADOR 8316
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GUERRILLAS AND THEIR CIVILIAN CADRES WERE REMOVED FROM THE MOUNTAIN AND SECURITY RE-ESTABLISHED, MORE THAN A THOUSAND FORMER RESIDENTS OF THE AREA HURRIED TO MOVE BACK IN AND ARE NOW RESUMING THE FARMING WHICH THEY ABANDONED SIX YEARS AGO WHEN THE FMLN GUERRILLAS TOOK CONTROL OF THE AREA.

SEVERAL WEEKS AGO, THIS EMBASSY WAS PRIVILEGED TO BE ABLE TO MEET WITH MS. CARLOTTIA SCOTT, ADMINISTRATIVE ASSISTANT TO CONGRESSMAN DELLUMS, WHO ALSO CARRIED A LETTER OF INTRODUCTION FROM YOU. WE BELIEVE SHE LEFT SAN SALVADOR WITH AN UNDERSTANDING AND APPRECIATION OF THE COMPLEXITY OF THE SITUATION HERE AND THE FACT THAT TODAY'S EL SALVADOR IS NOT THE SAME AS IT USED TO BE, NOR IS IT WHAT IS FREQUENTLY PORTRAYED BY PEOPLE AND ORGANIZATIONS IN THE U.S. WITH A POLITICAL -- NOT A HUMAN RIGHTS -- AGENDA. THE SITUATION IN THIS COUNTRY IS COMPLEX, BUT IT IS NOT INCOMPREHENSIBLE, AND IT IS

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PAGE 03 SAN SA 08316 02 OF 03 142157Z

ALSO NOT ONE THAT THE U.S. CANNOT AND SHOULD NOT BE PROUD TO HAVE HELPED WORK TO RESHAPE. NO COUNTRY OR GOVERNMENT OR PEOPLE HAVE WORKED HARDER THAN OUR OWN TO HELP FORCE THE ADOPTION OF VITALLY-NEEDED HUMANITARIAN, ECONOMIC, POLITICAL, AND SOCIAL REFORMS IN EL SALVADOR. WE SHOULD BE PLEASED WITH THE CHANGES THAT HAVE TAKEN PLACE IN THIS COUNTRY AS A RESULT, EVEN WHILE WE CONTINUE TO PRESS FOR MORE PROGRESS. EL SALVADOR TODAY, LARGELY AS A RESULT OF U.S. AND OTHER PRESSURES FOR REFORM, IS NOW LIVING UNDER CONSTITUTIONAL RULE {1983}, THE FIRST DEMOCRATICALLY-ELECTED CIVILIAN PRESIDENT IN OVER 50 YEARS {1984}, WITH A FULLY-FLEDGED MULTIPARTY NATIONAL ASSEMBLY {1985}. THIS IS MANIFESTLY THE MOST DEMOCRATIC, REPRESENTATIVE, AND LEGITIMATE GOVERNMENT EL SALVADOR HAS PROBABLY EVER HAD. FIVE THOUSAND ARMED GUERRILLAS IN THE HILLS AND A HANDFUL OF POLITICAL FIGURES LIVING IN GOLDEN EXILE OUTSIDE EL SALVADOR ARE HARDLY AN ATTRACTIVE ALTERNATIVE.

IN CLOSING, LET ME SAY THAT I WOULD BE DELIGHTED TO HAVE YOU COME FOR A VISIT TO THIS COUNTRY SO THAT YOU CAN SEE FOR YOURSELF THE REALITY OF WHAT IS GOING ON HERE. I WOULD BE GLAD TO HAVE YOU AS A GUEST IN MY RESIDENCE, AND CAN ASSURE YOU THAT I WILL PUT THE ENTIRE FACILITIES OF THIS EMBASSY AT YOUR DISPOSAL. I BELIEVE YOU WILL SEE THAT WHAT IS ACTUALLY TAKING PLACE IN THIS COUNTRY IS NOT WHAT WAS PORTRAYED BY THOSE WHO WROTE THE NEWSLETTER WHICH APPEARED OVER YOUR SIGNATURE. ANY TIME I PERSONALLY OR WE IN THIS EMBASSY CAN BE OF ASSISTANCE TO YOU, PLEASE DO NOT HESITATE TO LET ME KNOW.

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TAGS:  PHUM, ES
SUBJECT:  CONGRESSIONAL CORRESPONDENCE:
SINCERELY,
EDWIN G. CORR
AMBASSADOR
CORR
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UNCLASSIFIED

M 01105

CAYHAVEN CORPORATE SERVICES LIMITED
SWISS BANK BUILDING
GEORGE TOWN, GRAND CAYMAN
CAYMAN ISLANDS

CORPORATE MANAGEMENT
& ADMINISTRATION

MAILING ADDRESS:
P O BOX 1043

TELEPHONE 809-949-5444
CABLES CAYHAVEN
TELEX (0293) 4287 CAYHAVN CP
TELEFAX GROUPS II & III
809-949-8252

OUR REF. DMP/erd/c-2561
YOUR REF.

Richard R. Miller
International Business Communications
1912 Sunderland Place
NW Washington, D.C. 20036-1608
USA

14th May, 1986

Dear Richard,

Re: Intel Co-operation Inc.

I refer to the verbal instructions that you gave me during your trip here earlier in the month. For some reason it was over looked but we shall need written instructions from you to automatically deduct 10% from any grants received by this company and to pay the 10% deduction over to World Affairs Counselors Inc. as a commission.

I look forward to receiving this as soon as possible.

Kind regards.

Yours sincerely,

David M. Piesing
Senior Administrator

DIRECTORS. W S WALKER, O B E, M S DAVIES, D G BIRD, G J R STEIN

84589

40

Miller 7/[illegible]/87

R M 000001

1985/86 Summary of
National Endowment for the
Preservation of Liberty
Program Expenditures

INTERNATIONAL BUSINESS COMMUNICATIONS
1912 Sunderland Place N.W. • Washington D.C. 20036

RM Dep. Exh. 17
8/20/87

41

INTERNATIONAL BUSINESS COMMUNICATIONS
[illegible] SUNDERLAND PLACE N.W.
WASHINGTON DC [illegible]
TELEPHONE [illegible]
TELEX [illegible]

MEMORANDUM

TO: Carl Russell Channell
President
National Endowment for the
Preservation of Liberty

FROM: Richard R. Miller
Senior Partner

DATE: February 16, 1987

SUBJECT: 1985/86 summary of NEPL program expenditures

This memorandum and the materials attached to it constitute the report you requested on the application of the funds provided to IBC by NEPL in 1985 and 1986 in connection with the Central American Freedom Plan (CAFP), other NEPL programs and for the purpose of providing humanitarian aid in Central America. We have prepared or collected the following materials based on a thorough review of our records:

1. An executive summary of 1985 and 1986 expenditures which includes both the program costs of CAFP, other NEPL programs and the amount of humanitarian aid given by NEPL through IBC.

2. A comprehensive, chronological list of all NEPL deposits to our accounts and IBC expenditures in the execution of your programs for each year.

3. Documentation provided by the managing directors of Intel-Cooperation Inc. (originally I.C. Inc.), including a copy of the Memorandum of Association (corporate charter) filed with the government of the Cayman Islands and a schedule of the receipts and disbursements of that company for 1985 and 1986.

4. Copies of the retainer letter between NEPL and IBC and our program spending document that includes planning for the January 1986 Winter Meeting.

5. Copies of the wire transfers and bank orders used by IBC to distribute the humanitarian aid funds listed in section 2 and summarized in section 1.

You are familiar with our efforts in connection with the CAFP. In addition, the funds NEPL provided for humanitarian assistance have been applied to particularly worthy purposes. For example, your generosity has saved the arm of a little girl who was shot by the Sandinistas and paid for the reconstructive surgery in the United States that repaired the faces and limbs of young freedom fighters. You have also supported some of the best scholarly work by Nicaraguans and helped to support education efforts by exiles who wanted to bring their story to America.

Adolfo Calero has personally thanked you and me and has written to you thanking you for the help we provided to the Nicaraguan Development Council. Another major recipient is the Unified Nicaraguan Opposition (UNO), the political umbrella organization of the Nicaraguan Democratic Resistance. As your representative we have heard from other officials of the movement, and they have gratefully acknowledged the direct assistance we sent on to them.

IBC also distributed funds through Intel Co-operation Inc. to several organizations exempt from American taxation under section 501(c)(3) of the Internal Revenue Code. They are:

Gulf and Caribbean Foundation

Friends for the Americas

Nicaraguan Development Council

Latin American Strategic Studies Institute

Institute on Terrorism and Subnational Conflict

All of these recipients have pledged that their donations were used solely for humanitarian purposes and, given the nature of their organizations, we are confident that such is the case, since it is consistent with their programs in the region.

Some of the funds, as shown in the attached materials, were deposited to the account of Lake Resources, Inc., at Credit Swiss Bank in Geneva at the request of Lt. Col. Oliver L. North. At the present time we are unable to obtain from him any information concerning the application of those funds after deposit to the Lake Resources account. However, we were assured by him at the time that the funds were to be applied solely for humanitarian assistance.

If you have any questions about this report, we would be happy to discuss them with you.

The Heritage Foundation
A tax-exempt public policy research institute

R H 017211

October 15, 1985

Mr. Richard R. Miller
Treasurer
Institute for North-South Issues
1523 New Hampshire Avenue, N.W., Suite 200
Washington, D.C. 20036

Dear Mr. Miller:

Thank you for your letter of September 12, 1985.

My colleagues and I have discussed your proposal in some detail, and are pleased to respond in a positive way to it. Therefore, I am enclosing a check from The Heritage Foundation in the amount of $100,000 as you requested in your letter.

We would appreciate receiving reports from you as to the uses to which these funds have been put, and would also like to have a copy of your tax-exempt letter for our files.

It is our assumption, of course, that all of these funds will be used in accordance with the stated purposes of your 501(c)(3) organization.

Best wishes to you in your endeavors.

Sincerely,

Edwin J. Feulner, Jr., Ph.D.
President

Dep. Exh. 20
8/20/87

EJF/kr
Enclosure

Herbert B. Berkowitz, *Vice President*
Gordon S. Jones, *Vice President*
Burton Yale Pines, *Vice President*

Edwin J. Feulner, Jr., *President*
Phil N. Truluck, *Executive Vice President*

Peter E. S. Pover, *Vice President*
John A. Von Kannon, *Vice President*
Bernard Lomas, *Counselor*

Board of Trustees
Hon. Shelby Cullom Davis, *Chairman*
Robert H. Krieble, Ph.D., *Vice Chairman*
J. Frederic Rench, *Secretary*
Edwin J. Feulner, Jr.
Joseph R. Keys
Lewis E. Lehrman

David R. Brown, M.D.
Joseph Coors
Midge Decter
Robert F. Dee
Hon. Jack Eckerd

Hon. Clare Boothe Luce
Richard M. Scaife
Hon. William E. Simon
Arthur Spitzer
Jay Van Andel

Form **990** | Department of the Treasury Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c) (except black lung benefit trust or private foundation) of the Internal Revenue Code or section 4947(a)(1) trust

Note. You may be required to use a copy of this return to satisfy State reporting requirements. See instruction D.

[redacted]

851

1985

For the calendar year 1985, or fiscal year beginning ...., 1985, and ending ...., 19

Use IRS label. Otherwise, please print or type.

Name of organization: Institute For North South Issues, Inc.

Address (number and street): 1912 Sunderland Place, N.W. 28490C-500429

City or town, state, and ZIP code: Washington, D.C. 20036-1608

A Employer identification number (see instruction L): 52 : 1383571

B State registration number (see instruction D): M J17168

C If address changed, check here ▶ ☐

D Check type of organization—Exempt under section ▶ ☒ 501(c)(3) (insert number), OR ▶ ☐ section 4947(a)(1) trust

E Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

Check here if application for exemption is pending ▶ ☒

F Section 4947(a)(1) trusts filing this form in lieu of Form 1041, check here ▶ ☐ (see instruction C10). N/A

G Is this a group return (see instruction J) filed for affiliates? ☐ Yes ☒ No

Is this a separate return filed by a group affiliate? ☐ Yes ☒ No

If "Yes" to either, give four-digit group exemption number (GEN) ▶ N/A

☐ Check here if your gross receipts are normally not more than $25,000 (see instruction B11). You do not have to file a completed return with IRS but should file a return without financial data if you were mailed a Form 990 Package (see instruction A). Some States may require a completed return.

☐ Check here if gross receipts are normally more than $25,000 and line 12 is $25,000 or less. Complete Parts I (except lines 13-15), III, IV, VI, and VII and the indicated items in Parts II and V (see instruction I). If line 12 is more than $25,000, complete the entire return.

501(c)(3) organizations and 4947(a)(1) trusts must also complete and attach Schedule A (Form 990). (See instructions.)

Part I Statement of Support, Revenue, and Expenses and Changes in Fund Balances

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				(A) Total	These columns are optional—see instructions	
					(B) Unrestricted/Expendable	(C) Restricted/Nonexpendable
Support and Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Direct public support	108,250			
	b	Indirect public support	8,225			
	c	Government grants				
	d	Total (add lines 1a through 1c) (attach schedule—see instructions)		116,475		
	2	Program service revenue (from Part IV, line f)		5,500		
	3	Membership dues and assessments				
	4	Interest on savings and temporary cash investments				
	5	Dividends and interest from securities				
	6a	Gross rents				
	b	Minus: rental expenses				
	c	Net rental income (loss)				
	7	Other investment income (Describe ▶)				
	8a	Gross amount from sale of assets other than inventory	Securities: Other:			
	b	Minus: cost or other basis and sales expenses				
	c	Gain (loss) (attach schedule)				
	9	Special fundraising events and activities (attach schedule—see instructions):				
	a	Gross revenue (not including $ ________ of contributions reported on line 1a)				
	b	Minus: direct expenses				
	c	Net income (line 9a minus line 9b)				
	10a	Gross sales minus returns and allowances				
	b	Minus: cost of goods sold (attach schedule)				
	c	Gross profit (loss)				
	11	Other revenue (from Part IV, line g)				
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8c, 9c, 10c, and 11)		121,975		
Expenses	13	Program services (from line 44, column (B)) (see instructions)		105,598		
	14	Management and general (from line 44, column (C)) (see instructions)		11,598		
	15	Fundraising (from line 44, column (D)) (see instructions)				
	16	Payments to affiliates (attach schedule—see instructions)				
	17	Total expenses (add lines 16 and 44, column (A))		117,196		
Fund Balances	18	Excess (deficit) for the year (subtract line 17 from line 12)		4,779		
	19	Fund balances or net worth at beginning of year (from line 74, column (A))		-0-		
	20	Other changes in fund balances or net worth (attach explanation)		-0-		
	21	Fund balances or net worth at end of year (add lines 18, 19, and 20)		4,779		

For Paperwork Reduction Act Notice, see page 1 of the instructions.

TM Dir Sch 21

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Form 990 (1985)

R M

Part VI List of Officers, Directors, and Trustees (List each officer, director, and trustee whether compensated or not.) (See instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if any)	(D) Contributions to employee benefit plans	(E) Expense account and other allowances
Francis D. Gomez 1912 Sunderland Pl., Wash., D.C.	President/3 Hrs	None	None	None
Richard Miller - 1912 Sunderland Pl., Wash., D.C.	Treasurer/1 Hr.	None	None	None
Raul R. Tapia 2033 M Street., N.W. Wash., D.C.	Secretary/1 Hr.	None	None	None

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IRS — PSC

Part VII Other Information

		Yes	No
76	Has the organization engaged in any activities not previously reported to the Internal Revenue Service? If "Yes," attach a detailed description of the activities.		X
77	Have any changes been made in the organizing or governing documents, but not reported to IRS? If "Yes," attach a conformed copy of the changes.		X
78 a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		X
b	If "Yes," have you filed a tax return on Form 990-T, Exempt Organization Business Income Tax Return, for this year?	N/A	
c	If the organization has gross sales or receipts from business activities not reported on Form 990-T, attach a statement explaining your reason for not reporting them on Form 990-T.		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year (see instructions)? If "Yes," attach a statement as described in the instructions.		X
80	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization (see instructions)? If "Yes," enter the name of the organization ▶ N/A N/A and check whether it is ☐ exempt OR ☐ nonexempt.		X
81 a	Enter amount of political expenditures, direct or indirect, as described in the instructions: None		
b	Did you file Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations, for this year?	N/A	
82	Did your organization receive donated services or the use of materials, equipment or facilities at no charge or at substantially less than fair rental value?		X
	If "Yes," you may indicate the value of these items here. Do not include this amount as support in Part I or as an expense in Part II. See instructions for reporting in Part III ▶ N/A		
83	*Section 501(c)(5) or (6) organizations.*—Did the organization spend any amounts in attempts to influence public opinion about legislative matters or referendums (see instructions and Regulations section 1.162-20(c))?	N/A	
	If "Yes," enter the total amount spent for this purpose: N/A		
84	*Section 501(c)(7) organizations.*—Enter amount of:		
a	Initiation fees and capital contributions included on line 12: N/A		
b	Gross receipts, included in line 12, for public use of club facilities (see instructions): N/A		
c	Does the club's governing instrument or any written policy statement provide for discrimination against any person because of race, color, or religion (see instructions)?	N/A	
85	*Section 501(c)(12) organizations.*—Enter amount of:		
a	Gross income received from members or shareholders: N/A		
b	Gross income received from other sources (do not net amounts due or paid to other sources against amounts due or received from them): N/A		
86	*Public interest law firms.* Attach information described in the instructions.		
87	List the States with which a copy of this return is filed ▶ District of Columbia		
88	During this tax year did you maintain any part of your accounting/tax records on a computerized system?		X

89 The books are in care of ▶ The Institute Telephone No. ▶ (202) 659-6550

Located at ▶ 1912 Sunderland Place, N. W., Washington, D. C. 20036-1608

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

▶ Richard R. Miller — Signature of officer — 12/1/86 Date ▶ Treasurer Title

Paid Preparer's Use Only

Preparer's signature ▶ CPA — Date 11/26/86 — Check if self-employed ▶ ☐

Firm's name (or yours, if self-employed) and address ▶ Anthony & Williams CPA's, Bethesda, Maryland — ZIP code 20814

Form 990 (19..)

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for 501(c)(3) and (c)(4) organizations and 4947(a)(1) trusts but optional for others. (See instructions.)

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IRS — PSC

M J17, 69

Do not include amounts reported on lines 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule)				
23 Specific assistance to individuals				
24 Benefits paid to or for members				
25 Compensation of officers, directors, etc.				
26 Other salaries and wages				
27 Pension plan contributions				
28 Other employee benefits				
29 Payroll taxes				
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies	1,032		1,032	
34 Telephone				
35 Postage and shipping				
36 Occupancy /Rend	10,500		10,500	
37 Equipment rental and maintenance				
38 Printing and publications	89	89		
39 Travel				
40 Conferences, conventions and meetings	1,325	1,325		
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)				
43 Other expenses (itemize): a Sub-Contractors	9,684	9,684		
b Bank Fees	66		66	
c Expend. Behalf/Heritage Found.	80,000	80,000		
d Expend. Behalf/VPS	9,000	9,000		
e Expend. Behalf/State Dept.	5,500	5,500		
f				
44 Total functional expenses (add lines 22 through 43)	117,196	105,598	11,598	-0-

Part III Statement of Program Services Rendered

List each program service title on lines a through d; for each, identify the service output(s) or product(s) and report the quantity provided. Enter the total expenses attributable to each program service and the amount of grants and allocations included in that total. (See instructions for Part III.)	Expenses (Optional for some organizations — see instructions)
a Heritage Foundation - A Washington based foundation think-tank which has grant, public education, academic and governmental policy orientations. INSI managed a grant by Heritage to produce a study on foundation information services in the Caribbean and Latin America. (Grants and allocations $)	80,000
b VPS- is a distinguished visitor and Government Sponsor grantee escort service. INSI's responsibilities are to manage the scheduling, logistics, translation and educational programs for foreign visitors under the VPS program. (Grants and allocations $)	9,000
c State Department - INSI conducted a survey of State Department public distribution procedures. In addition, INSI recommended a plan for revamping the State Department distribution of documents dealing with Latin America and the Caribbean. (Grants and allocations $)	15,184
d (Grants and allocations $)	
e Other program service activities (attach schedule) (Grants and allocations $)	1,414
f Total (add lines a through e) (should equal line 44, column (B))	105,598

48

Miller [illegible] 7/[illegible]/87

R M 000001

1985/86 Summary of National Endowment for the Preservation of Liberty Program Expenditures

INTERNATIONAL BUSINESS COMMUNICATIONS
1912 Sunderland Place N.W. • Washington D.C. 20036

RM Dep. Exh. 17
8/20/87

vi

INTERNATIONAL BUSINESS COMMUNICATIONS
[illegible] PLACE N.W.
WASHINGTON DC [illegible]
TELEPHONE [illegible]
TELEX [illegible]

MEMORANDUM

TO: Carl Russell Channell
President
National Endowment for the
Preservation of Liberty

FROM: Richard R. Miller
Senior Partner

DATE: February 16, 1987

SUBJECT: 1985/86 summary of NEPL program expenditures

This memorandum and the materials attached to it constitute the report you requested on the application of the funds provided to IBC by NEPL in 1985 and 1986 in connection with the Central American Freedom Plan (CAFP), other NEPL programs and for the purpose of providing humanitarian aid in Central America. We have prepared or collected the following materials based on a thorough review of our records:

1. An executive summary of 1985 and 1986 expenditures which includes both the program costs of CAFP, other NEPL programs and the amount of humanitarian aid given by NEPL through IBC.

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3. Documentation provided by the managing directors of Intel-Cooperation Inc. (originally I.C. Inc.), including a copy of the Memorandum of Association (corporate charter) filed with the government of the Cayman Islands and a schedule of the receipts and disbursements of that company for 1985 and 1986.

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Friends for the Americas

Nicaraguan Development Council

Latin American Strategic Studies Institute

Institute on Terrorism and Subnational Conflict

All of these recipients have pledged that their donations were used solely for humanitarian purposes and, given the nature of their organizations, we are confident that such is the case, since it is consistent with their programs in the region.

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If you have any questions about this report, we would be happy to discuss them with you.

RM 01091

April 30, 1985

Barclays Bank
Box 68
Cardinal Avenue
Georgetown Grand Cayman
Cayman Islands

Tel. 809 - 949-7300

I. To open a business account with them of an already incorporated company, you need:

-List of Directors
-List of Officers
-Copy of certificate of the articles of incorporation
-Memorandum and articles of association
-Bankers' references (two)
-Names of signing officers

II. To incorporate a company over there you have to do it either through a management company or a law firm.

A recommended management company is:

Cayhaven Corporate Services
1043 Swiss Bank Building
Georgetown, Grand Cayman
Cayman Islands

Tel: 809-949-5444 MALCOLM DAVIES

A recommended law firm is:

Walker & Co. Law Offices
Box 265, Swiss Bank Building
Georgetown, Grand Cayman
Cayman Islands

Tel: 809-949-2444

Att. Mr. Dave Bryd

RM Dep. Exh. 8
8/20/87

RM 01288

August 15, 1986.

World Affairs Counselors, Inc.
Swiss Bank Building
Georgetown, Grand Cayman Island

Dear sirs:

Enclosed is a list of products available from CARDOEN and MONTEPAZ. You may confirm the availability of the products from the corporations at the following addresses:

- Compañia Industrial de Tabacos Monte-Paz
  San Ramón 716
  Montevideo, Uruguay

  Tel: 20 88 21/24
  Person to contact: Raúl R. Pazos
  For boots ONLY

- Industrias CARDOEN Ltda.
  Los Conquistadores 1700, Piso 28
  Santiago, Chile

  Tel: 231-3420
  Person to contact: Luis Sommers S.
  For all other materials described in attached list

In accordance with our previous discussions, we envision that commissions payable on the sale of any particular product will be divided equally among the corporations involved in the placement of that product.

Sincerely yours,

Richard M. Peña

R.M. Dep. Exh. 24
8/21/87

PRICE LIST OF ITEMS AVAILABLE

RM 01289

Prices will decrease as quantities increase

GRENADES

Mini Hand Grenade - NATO Standard	$11.00 (per unit)	Minimum 2,000	FOB
Double Use Hand Grenade	$13.00 (per unit)	Minimum 2,000	FOB
MK-2 Hand Grenade	$12.00 (per unit)	Minimum 2,000	FOB

ANTI PERSONNEL MINES

AP II	$42.00 (per unit)	Minimum 2,000	FOB
M-18 (Claymore)	$110.00 (per unit)	Minimum 2,000	FOB

ANTI TANK MINE - NATO STANDARD

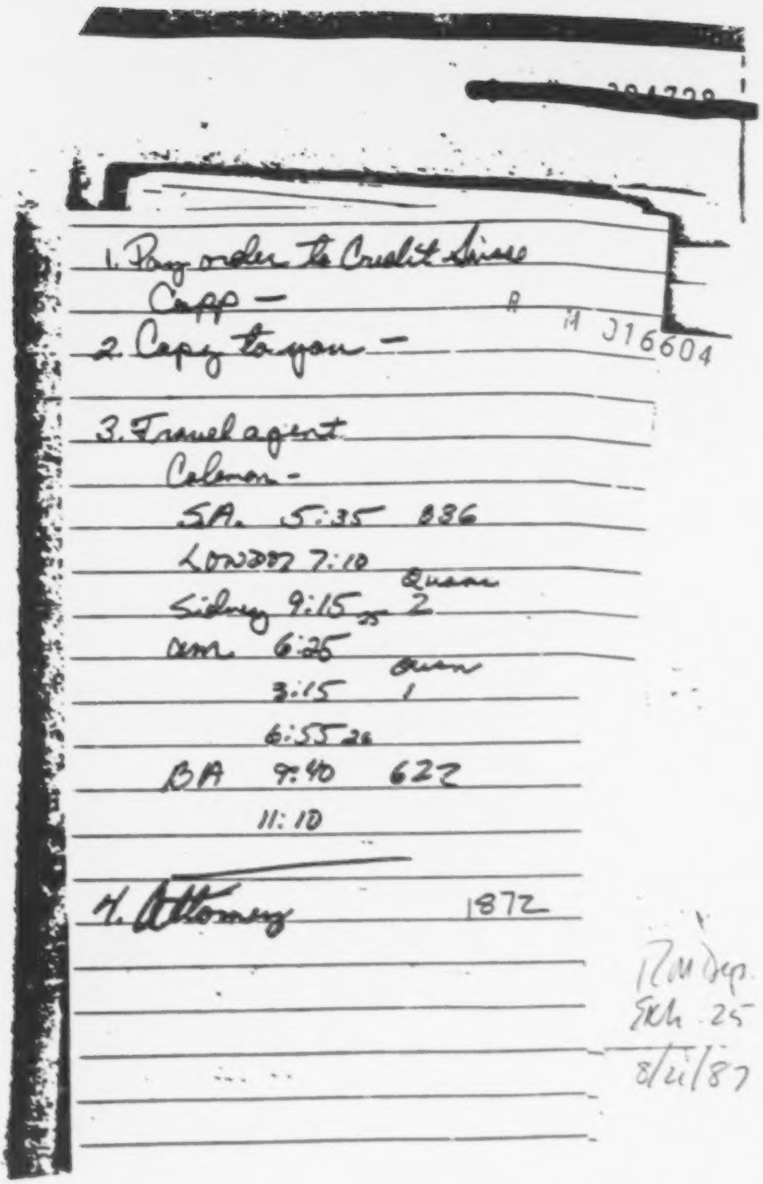
M-19	$110.00 (per unit)	Minimum 2,000	FOB

BOMBS

500 lbs Cluster Bombs	$13,000 (per unit) $15,000 (per unit)	Minimum 2,000 less than 2,000	FOB FOB
PJ-1 Manual Aerial Bomb	$120.00 (per unit)	Minimum 2,000	FOB
MK-81 250 lbs General Purpose	$2,100 (per unit)	Minimum 2,000	FOB
MK-82 500 lbs General Purpose	$2,700 (per unit)	Minimum 2,000	FOB
MK-83 1,000 lbs General Purpose	$4,900 (per unit)	Minimum 2,000	FOB

BOOTS

Jungle Type Combat	$33.00 (per pair)		FOB



[redacted]

[redacted]

1. Pay order to Credit Suisse
Capp —

2. Copy to you —

3. Travel agent
Coleman -
SA. 5:35 836
LONDON 7:10
Sidney 9:15 25 Quan 2
am. 6:25
3:15 Quan 1
6:55 26
BA 9:40 622
11:10

4. Attorney 1872

A
N 016604

RM Dep.
Exh. 25
8/21/87

M · Telex RM 01553

TO: DAVID M PEESING
SENIOR ADMINISTRATOR
CAY HAVEN CORPORATION SERVICES LTD.
BARCLAYS

FR: RICHARD R. MILLER, ~~DIRECTOR~~
FRANCIS D. GOMEZ, ~~DIRECTOR~~

TELEXCODE: DIRECT

We would like to acheive the following changes and additions:

1. We wish to establish a corporate entity which has the main purpose of distributing benevolent contributions, made be foundations, private organizations and individuals, to other worthy benevolent organizations and political entities representing such organizations ~~None~~
2. We wish to establish a corporate entity which contains the same broad charter as ~~before~~ all other exempt corporations do in your jurisdiction, but has a specific charter codified activity that allows this entity to conduct;
    a. The representation of international political organizations, and multinational corpo in the

RM Dep. Exh. 9
8/20/87

M 01554

area of political consulting, media relations and public affairs.

b. That provides counsel, analyses, data manipulation and reporting to international political organizations and multinational corporations on risk ~~and political~~ analyses and political profiles for international undertakings.

[redacted]

We [redacted] have an idea on how to accomplish this that we hope can work. We propose ~~that~~ the board expand the charter of ~~th~~ the present corporation to include the items outlined in paragraph #1. We would also propose that the board rename the corporation — "International Cooperation

Then we would create a new corporation to [redacted] be chartered to include the items in 2, a & b. That corporation would be named on Thursday.

We would appreciate your having the appropriate papers in process when I arrive.

Bo Hood, R. Miller ~~Thank~~ you for your direction of this matter.

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

FILED
JUN 1 1987
CLERK, U.S. DISTRICT COURT
DISTRICT OF COLUMBIA

SENATE SELECT COMMITTEE ON SECRET
MILITARY ASSISTANCE TO IRAN AND
THE NICARAGUAN OPPOSITION

The United States Senate
Washington, D.C. 20510,

Applicant.

Misc. No. 87-195

ORDER

Upon consideration of the application by the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, and upon determining that the procedural requirements set forth in 18 U.S.C. § 6005 have been satisfied, it is, this 1st day of June, 1987,

ORDERED That Richard R. Miller may not refuse to testify, and provide other information, at proceedings of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, on the basis of his privilege against self-incrimination, and it is

FURTHER ORDERED That no testimony or other information compelled under this Order (or any information directly or indirectly derived from such testimony or other information) may be used against Richard R. Miller in any criminal case, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with this Order.

Aubrey E Robinson Jr
United States District Judge

United States District Court
for the District of Columbia
A TRUE COPY
JAMES F. DAVEY, CLERK
By
Deputy Clerk

Miller Ex. #1

$50,000.00 account number → Comercial Julin S.A.
# 88929-5
Banco Anglo Costa Rica
San Jose, C.A.

BANCO INTERNACIONAL
DE COSTA RICA
1 BISCAYNE TOWER
SUITE 1970
MIAMI, FL. 33131
TLX 6811520 BICSAMIA
TEL 305/374-0855

$30,000.00 WOULD BE NEAT

$20,000.00 TO INDIANS

NO 056 838

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645
06AM

Western Union Mailgram

4-0106528157002 06/06/85 ICS IPMMTZZ CSP WHSB
1 6097777777 MGM TDMT MOORESTOWN NJ 06-06 1021A EST

INTERNATIONAL BUSINESS COMMUNICATIONS R
MILLER
1523 NEW HAMPSHIRE AVE NORTHWEST
WASHINGTON DC 20009

THIS IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

6097777777 TDMT MOORESTOWN NJ 06-06 1021A EST
PMS JOHN RAMSEY, DLR
3510 CRANBROOK
WICHITA FALLS TX 76308
THANK YOU FOR THE HELP ON SUCH SHORT NOTICE.
COL NORTH

IN THE EVENT OF ANY SERVICE INQUIRIES, PLEASE DIRECT CORRESPONDENCE TO:

NATIONAL CONSUMER SERVICE CENTER
C/O WESTERN UNION TELEGRAPH COMPANY
308 WEST ROUTE 38
MOORESTOWN, NJ 08057

10:22 EST

MGMCOMP

RM 03577

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

2453

Miller Ex #3

Miller Deposition Exhibit #5 Co [illegible]

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA :
v. : Criminal No.: 87-0190
RICHARD R. MILLER, : Violation: 18 U.S.C.
Defendant. : Section 371 (Conspiracy)

[illegible], J.

INFORMATION

MAY 06 1987

The Independent Counsel informs the Court that:

INTRODUCTION

1. At all times relevent to this Information, the National Endowment for the Preservation of Liberty ("NEPL") was a non-profit corporation. From NEPL's inception in or about May 1984 to in or about August 1986, NEPL had offices located at 305 4th Street, N.E., Suite 210, Washington, D.C. From in or about August 1986 to the filing of this Information, NEPL had offices located at 1331 Pennsylvania Avenue, N.W., Suite 350 South, Washington, D.C.

2. At all times relevant to this Information, in its promotional literature and in filings with the United States Internal Revenue Service ("IRS"), NEPL purported to be an educational and charitable organization devoted to the study, analysis, and evaluation of the American socio-economic and political systems.

3. At all times relevant to this Information, NEPL made representations to the IRS as to the organization's purposes and activities and, on the basis of those representations, NEPL was duly qualified by the IRS as an organization exempt from

unlawfully, wilfully and knowingly did combine, conspire, confederate and agree together and with each other to defraud the United States of America and the IRS by impeding, impairing, defeating and obstructing the lawful governmental functions of the IRS in the ascertainment, evaluation, assessment and collection of income taxes.

OBJECTS OF THE CONSPIRACY

8. It was an object of the conspiracy to defraud the IRS and deprive the Treasury of the United States of revenue to which it was entitled by subverting and corrupting the lawful purposes and operations of NEPL by using NEPL for an improper purpose, namely, to solicit contributions to purchase military and other types of non-humanitarian aid for the Contras.

9. It was an object of the conspiracy to defraud the IRS and deprive the Treasury of the United States of revenue to which it was entitled by falsely representing that contributions made to NEPL were tax-deductible when, in truth and in fact, certain of such contributions were not deductible since they were made for a non-deductible purpose, namely, to purchase military and other types of non-humanitarian aid for the Contras.

OVERT ACTS

10. The following overt acts, among others, were committed and caused to be committed, in the District of Columbia and elsewhere, by the defendant RICHARD R. MILLER and

his co-conspirators in furtherance of the conspiracy and to effect the objects thereof:"

(a) In or about April 1985, in Washington, D.C., the defendant RICHARD R. MILLER met with Carl R. Channell, and with a consultant to NEPL, another principal of IBC, and "Contributor A," a potential contributor to NEPL.

(b) On or about July 9, 1985, in a dining room of the Hay-Adams Hotel, Washington, D.C., the defendant RICHARD R. MILLER met with Carl R. Channell, and with a consultant to NEPL, and a United States government official ("the Official").

(c) On or about September 11, 1985, in Dallas, Texas, Carl R. Channell and the Official met with at least three potential contributors to NEPL.

(d) On or about November 7, 1985, at the Hay-Adams Hotel, Washington, D.C., the defendant RICHARD R. MILLER met with Carl R. Channell, the Official, and "Contributor B," a potential contributor to NEPL.

(e) From on or about November 15, 1985 to on or about December 4, 1985, "Contributor B" caused the mailing of stock certificates valued at approximately $1 million to NEPL in Washington, D.C.

(f) On or about November 22, 1985, in Washington, D.C., at his government office, the Official met "Contributor C," a potential contributor to NEPL.

(g) On or about January 16, 1986, in Washington, D.C., "Contributor C" caused a check in the amount of $20,000 to be issued to NEPL.

(h) On or about March 28, 1986, in a dining room of the Hay-Adams Hotel, Washington, D.C., Carl R. Channell and the Official met with "Contributor D," a potential contributor to NEPL.

(i) On or about March 31, 1986, in a dining room of the Hay-Adams Hotel, Washington, D.C., Carl R. Channell and the Official met with "Contributor D," at which time "Contributor D" delivered to Channell, a check in the amount of $130,000 payable to NEPL.

(j) On or about April 11, 1986, in the cocktail lounge of the Hay-Adams Hotel, Washington, D.C., Carl R. Channell and the Official met with "Contributor E," a potential contributor to NEPL.

(k) On or about April 15, 1986, "Contributor E" caused a wire transfer in the amount of $470,000 to be made to a NEPL bank account in Washington, D.C.

(l) On or about April 15, 1986, "Contributor E" caused the wire transfer of stocks valued at approximately $1.15 million to a NEPL brokerage account in Washington, D.C.

(m) On or about May 19, 1986, "Contributor E" caused a wire transfer in the amount of $350,000 to be made to a NEPL bank account in Washington, D.C.

(n) On or about November 18, 1986, in Washington, D.C., Carl R. Channell caused to be filed with the IRS a 1985 Return of Organization Exempt from Income Tax for NEPL.

(Violation of Title 18, United States Code, Section 371.)

Lawrence E Walsh
LAWRENCE E. WALSH
Independent Counsel

Miller Deposition Exhibit #6 000971

[illegible]

1. Oct 1st Budget – 80,000 in Oct

✓ 2. Green is to call Bunker –

~~3. Bunker w/ P.R., call [illegible], [illegible]~~

4. Reagan thank you

5. Mr. H.R. Bright 214/526-1195

6. Doug Hofmeister – Ellis

7. $415,000.00 – Weapons C4, M79

8. $520,000.00 MAUL

9. M, W, F, Tuesday or Thursday preferred

9/20/85

1. Craig Fuller – Shoup Voting

2. P.R. – Report in Nat Assembly – get Shoup trains
– Rep – went to P.R. – Bie – same machine for the Referendum
money for 500 – wants money for 1,000

☆ 3. V.P. speech – Slow case on Democracy – N/B.

★ 936 should stay – N/B.

4. Richard Coykia

[illegible] – Indonesia

1. Oct 10 – Philadelphia, Secretary arriving Philly Sept 29th

2. Mother, Brother, aide + Wife

Miller Deposition Exhibit #4

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

HOUSE SELECT COMMITTEE TO INVESTIGATE
COVERT ARMS TRANSACTIONS WITH IRAN

U.S. House of Representatives
Washington, D.C. 20515

Applicant.

Misc. No. 87-182

FILED

MAY 18 1987

CLERK, U.S. DISTRICT COURT
DISTRICT OF COLUMBIA

ORDER

On consideration of the application by the House Select Committee to Investigate Covert Arms Transactions with Iran and the memorandum of points and authorities, and exhibits, in support thereof, the Court finds that the procedural requisites set forth in 18 U.S.C. § 6005 for an order of the Court have been satisfied. Accordingly, it is

ORDERED that Richard Miller may not refuse to provide any evidence in proceedings before the House Select Committee to Investigate Covert Arms Transactions with Iran on the basis of his privilege against self-incrimination, and it is

FURTHER ORDERED that no evidence obtained under this Order (or any information directly or indirectly derived from such evidence) may be used against Richard Miller in any criminal case, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with this Order.

[illegible]

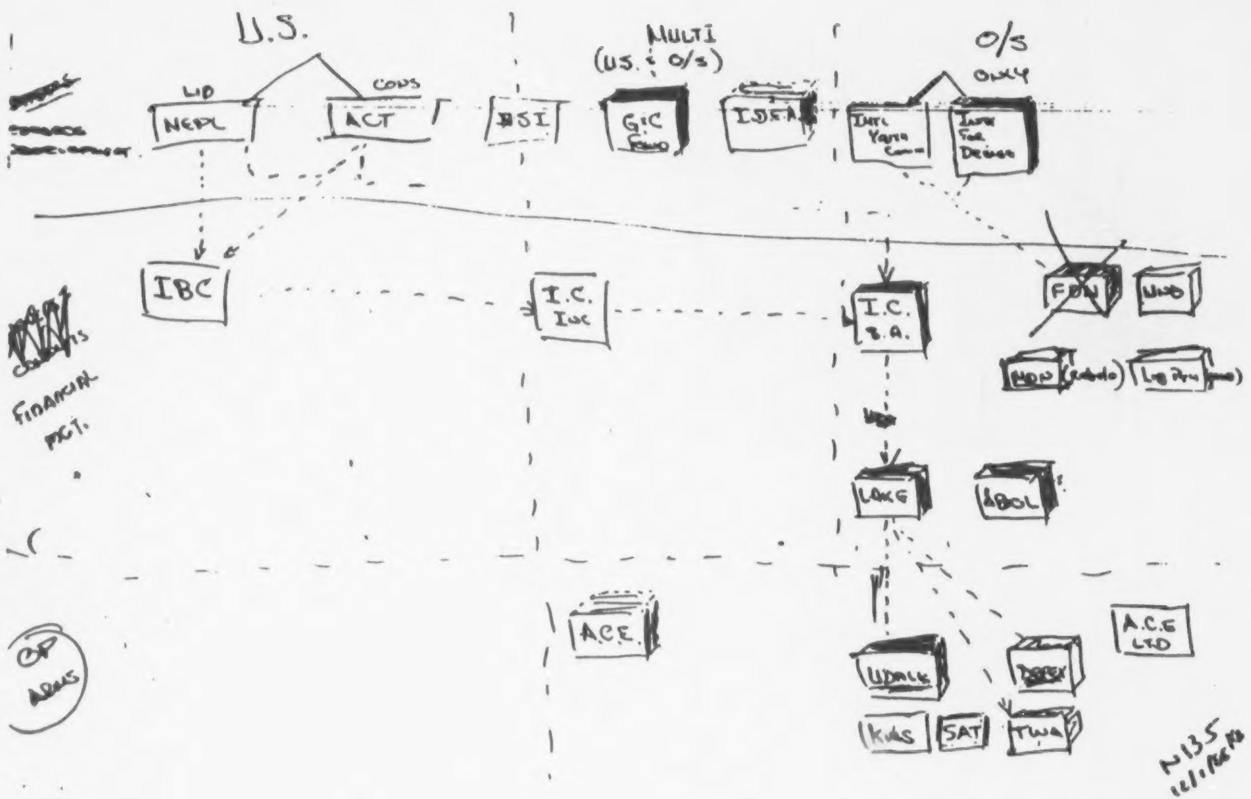
By

FURTHER ORDERED That this Order shall become effective on May 18, 1987.

United States District Judge

Dated: May 18, 1987

Miller Deposition Exhibit #7


U.S.
MULTI (U.S. & O/S)
O/S ONLY
LTD
CORPS
NCPL
ACT
BSI
GIC Fund
ISFA
Intl Yacht Comm
Inst for Design
Financial Mgt.
IBC
I.C. Inc
I.C. S.A.
FDN
UWD
HDP
Log Dev
LAKE
&BOL
ACE
A.C.E LTD
UDALK
KIDS
SAT
TWA
N135

UNCLASSIFIED

No Date

$50,000.00

account number → [redacted]

$30,000.00 WOULD BE NEAT

$20,000.00 TO INDIANS

[redacted]

Partially Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5462

RM 01565

UNCLASSIFIED